FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

East Asia

FBIS-EAS-90-203
Friday
19 October 1990

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Japan

Reportage on Peace Bill, Gulf Issues Continues

Kaifu Defends Financial Aid

OW1810140390 Tokyo KYODO in English 0625 GMT 18 Oct 90

[Text] Tokyo, Oct. 18 KYODO—Prime Minister Toshiki Kaifu said in the Diet on Thursday that his government's pledge to extend 2 billion dollars in aid to the multinational forces in the Persian Gulf does not violate Japan's war-renouncing Constitution.

Responding to questions from Wakako Hironaka of Komeito and Hiroshi Tachiki of the Japan Communist Party in the House of Councillors, Kaifu said the multinational forces are backed by the United Nations Security Council resolutions imposing economic sanctions on Iraq, which invaded Kuwait on August 2.

Hironaka said the planned dispatch abroad of Self-Defense Forces (SDF) personnel, and Japan's financial aid to the multinational forces, contravene the Constitution's provision banning the use of force to settle international conflicts.

Kaifu reiterated his previous statements that the proposed dispatch of SDF personnel abroad does not run counter to the Constitution because the SDF personnel will not be combat contingents and they will be sent to assist U.N. activities within the framework of the Constitution, and under civilian control.

He said SDF personnel will contribute to U.N. peacekeeping activities in the areas of transportation, telecommunications, and medical treatment, and in other noncombatant roles.

The prime minister said he has no plans to change the government's interpretation that the Constitution bans participation in collective self-defense, but said he is studying future Japanese participation in U.N. forces based on "U.N. Collective Security."

Kaifu reiterated his call to Iraq to withdraw its troops from Kuwait, saying such a withdrawal would be a first step to resolve the Gulf crisis.

Japan will continue to have dialogue with Iraq in a bid to resolve the crisis, Kaifu said. He said Japan is ready to return to normal relations with Baghdad if the Iraqi Government accepts the U.N. resolution to resolve the crisis.

Kaifu: No Conditions on UN Help

OW1910092390 Tokyo KYODO in English 0823 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—Prime Minister Toshiki Kaifu said in the Diet on Friday that Japan did not set any conditions on military cooperation with the United Nations when the country entered the world organisation in 1956.

Kaifu responded to questions from Japan Socialist Party (JSP) Secretary General Tsuruo Yamaguchi and ruling Liberal Democratic Party (LDP) Diet member Kazuo Tanikawa.

Kaifu quoted a declaration presented by then Foreign Minister Katsuo Okazaki to the United Nations at the time of the entry of Japan into the world organization, saying Japan promised to carry out every UN duty as a member of the United Nations.

Yamaguchi disagreed with Kaifu. He quoted Okazaki as saying the dispatch of Self-Defense Forces (SDF) for UN purposes would violate the Constitution, before Okazaki sent the declaration to the UN Headquarters.

Yamaguchi also quoted former Foreign Minister Zentaro Kosaka as saying in February 1961 that Japan became a UN member on the condition of keeping the war-renouncing Constitution and the United Nations had understood it.

Foreign Ministry Treaties Bureau chief Shunji Yanai replied the UN Charter has no reservation clauses, saying Japan has judged it would be able to carry out the UN Charter within the framework of the Constitution.

Touching on a resolution which bans the dispatch of SDF forces overseas that was passed at the House of Councilors in 1954, Kaifu said it did not envisage sending SDF personnel to the UN Peace Cooperation Corps in UN activities for noncombat purposes.

He said international circumstances in which the resolution was adopted were different from the current situation as the Cold War has ended and the United States and the Soviet Union are improving relations.

Referring to the permanent UN forces described in the 43 articles of the UN Charter, the prime minister said Japan is examining whether the SDF will be sent to join the UN contingent if the United Nations establishes its forces in the post-Cold War era. He made the remark in reply to a question from the LDP's Tanikawa, a former Defence Agency chief.

Five victorious powers, the United States, the Soviet Union, China, France, and Britain envisaged the United Nations would set up their own permanent forces, gathered from troops of member countries to prevent future world wars and regional conflicts. But the plan was not realized due to the outbreak of the cold war in the late 1940s.

Cabinet Legislation Bureau chief Atsuo Kudo was cautious about the dispatch of the SDF to the UN permanent forces, saying, "The dispatch will remain to be questioned in connection with the war-renouncing Constitution."

The Constitution prohibits Japan from implementing the right of collective security guaranteed by the UN Charter, Kudo said. He said the SDF will not be able to participate even in the proposed UN permanent forces if the UN peacekeeping forces are involved in combat operations.

But the UN forces are yet to be set up, said Kudo, adding UN member countries have not agreed on the special accord of the 43 articles of the UN Charter, which is a condition of organizing the UN forces.

Kudo said Japan will come to an overall conclusion on its participation in the UN forces after checking whether the SDF will be sent to join the UN forces within the framework of the Constitution.

Future UN Participation Viewed

OW1910061090 Tokyo KYODO in English 0543 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—Prime Minister Toshiki Kaifu told the Diet on Friday that the government is now examining whether Self-Defense Forces (SDF) personnel will be sent to participate in permanent United Nations contingents if such U.N. forces are established.

Kaifu made the remark in reply to a question from ruling Liberal Democratic Party (LDP) Diet member Kazuo Tanikawa at a meeting of the Budget Committee of the House of Representatives. Following the remark by Kaifu, Cabinet Legislation Bureau Chief Atsuo Kudo voiced caution on the issue, saying "The dispatch will remain in question in connection with the war-renouncing Constitution."

The Constitution prohibits Japan from implementing the right of collective security guaranteed by the U.N. Charter, Kudo said. He said the SDF will not be able to participate even in the currently existing U.N. peacekeeping forces if the peacekeeping forces are involved in combat operations.

But the permanent U.N. forces have yet to be set up, Kudo said. U.N. member countries have not agreed on the special accord on Article 43 of the U.N. Charter, which is a precondition for organizing the U.N. forces, he said.

Kudo said Japan will come to an overall conclusion on its participation in the U.N. forces in the future after examining whether the SDF can be sent within the framework of the Constitution.

Turning to the proposed U.N. peace cooperation law, Kaifu said the participation of SDF personnel in the corps does not violate the Constitution, adding the personnel will be, in principle, unarmed and are to be sent to take part in U.N. peacekeeping activities in noncombatant roles. Kudo also said Japanese personnel under the proposed law will not be dispatched to the land or territorial waters of other countries to wage combat, so it does not run counter to the Constitution.

Tanikawa asked Kaifu why it is necessary for SDF personnel to participate in the corps.

Kaifu replied that the participation of SDF personnel in the corps will enable its operations to be effective. He said SDF personnel are well trained and are highly skilled.

Medical Survey Team Returns

OW1910144590 Tokyo KYODO in English 1206 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—Eleven members of a 17-person Japanese medical team returned home on Friday evening after inspecting hospitals in Saudi Arabia to explore the best way for Japanese doctors and nurses to help refugees fleeing Iraq and Iraqi-occupied Kuwait.

The team left Tokyo on September 18 as an advance party for some 100 doctors, nurses, and assistants Japan has pledged to send to the Persian Gulf region as part of its contribution to solving the Gulf crisis. They visited the hospitals in Riyadh and other major cities in Saudi Arabia and also visited refugee camps in Jordan.

They will draw up a concrete plan of action for the Japanese medical personnel who will follow them, and the Foreign Ministry hopes to send a full-fledged medical team to the region as soon as possible, the officials said.

The six remaining members are preparing to set up a base in Saudi Arabia for the Japanese medical team, they said.

Three Ailing Hostages Return

OW1910093690 Tokyo KYODO in English 0904 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—Three of four Japanese businessmen released by Iraq for health reasons on Thursday returned home Friday. The three were Kikuo Tomioka, 53, of Fujita Corp., Yoshitomo Takeuchi, 52, of Mitsubishi Corp., and Misao Kobori, 37, of Toyo Engineering Corp. They flew to Tokyo from London, where they had arrived Thursday from Baghdad via Amman.

The fourth freed Japanese businessman, Hiroyuki Iwase, 36, of Mitsubishi Heavy Industries Ltd., left Iraq later Thursday and is scheduled to return home Saturday, Japanese officials said.

Takeuchi suffers from high blood pressure, Tomioka and Iwase from heart ailments, and Kobori from an intestinal disease, officials said.

Tomioka entered Kuwait from Iraq on August 1, the day before Iraqi troops crossed the border, and was moved to Baghdad in late August.

Takeuchi was also in Kuwait when Iraq invaded and was detained at an unknown location in southern Iraq.

Kobori had been in Iraq on business since June, while Iwase was also detained at an undisclosed location in southern Iraq.

The departure of the four men brought the number of Japanese still in Iraq to 338. This comprises 139 detained at strategic locations, 166 others refused permission to leave, and 33 Japanese Embassy personnel.

Iraq's 12 Nov Invitation Revoked

OW1910102790 Tokyo KYODO in English 0938 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—Japan has revoked its invitation to Iraq to send a high-level official to Emperor Akihito's enthronement ceremony on November 12, a Foreign Ministry spokesman said Friday. "In light of Iraq's invasion and annexation of Kuwait, as well as other actions, the invitation to Iraq has been withdrawn," said spokesman Taizo Watanabe in a meeting with foreign correspondents.

Watanabe said Japan's decision was formally conveyed to Iraqi Ambassador to Japan Rashid al-Rifai on Thursday by Makoto Watanabe, director general of the ministry's Middle Eastern and African Affairs Bureau. He said the Iraqi envoy expressed regret and promised to convey the decision to his Government.

Prior to its invasion of Kuwait on August 2, Iraq had indicated it would dispatch Vice President Taha Muhyi-al-Din Ma'ruf to attend the imperial ceremony next month.

The spokesman had earlier indicated that the invitation was being reconsidered in light of Iraq's invasion of Kuwait and its holding of 139 Japanese nationals at key installations as "human shields" to ward off any military moves against it by multinational forces.

Central Bank Reacts to U.S. Trade Gap Figure

OW1810144590 Tokyo KYODO in English 1424 GMT 18 Oct 90

[Text] Tokyo, Oct. 18 KYODO—A Bank of Japan (BOJ) official said Thursday the just-released U.S. trade deficit for August was in line with expectations.

"I have got no impression that the imbalance is especially wide. The figure is almost as had been expected," said the official, who asked not to be named. He was commenting on an announcement by the U.S. Commerce Department that the U.S. merchandise trade deficit widened to a seasonally adjusted 9.34 billion dollars in August from a revised 9.12 billion dollars in July.

"If you consider that the data was not affected by the recent drop in the value of the U.S. dollar, the expansion is not so bad," the official said. But his view was in conflict with that expressed by an official from the Finance Ministry who was more pessimistic about the outlook for the U.S. trade deficit.

"There is no room for optimism about the U.S. trade gap, since the impact of the oil price surge due to the Gulf crisis has yet to emerge," said the official, who also requested anonymity. But the official said the U.S. trade deficit with Japan has been and will be steadily declining.

"Though an increase in auto imports from Japan is partly responsible for the August gap, it is a seasonal factor, not a trend," he said.

More Developments in Kajiyama Issue Reported

LDP Mission To Apologize

OW1810153890 Tokyo KYODO in English 1335 GMT 18 Oct 90

[Text] Tokyo, Oct. 18 KYODO—The ruling Liberal Democratic Party (LDP) said Thursday it will send a mission to the United States to apologize for discriminatory remarks made by Justice Minister Seiroku Kajiyama.

LDP Secretary General Ichiro Ozawa told reporters the mission led by Yoshiro Mori, former education minister who serves as acting chairman of the party's Committee on Minority Issues, will leave Tokyo on Sunday for Washington.

The party delegation will meet Congressman Ronald Dellums, the California Democrat who chairs the Congressional Black Caucus, and leaders of the National Association for the Advancement of Colored People (NAACP) to make apologies for Kajiyama's remarks comparing black people in the U.S. to prostitutes. The caucus submitted a resolution to Congress on October 3 calling for the dismissal of Kajiyama.

Ozawa said he is considering having the mission carry his personal message. Foreign Minister Taro Nakayama supported the LDP mission when Ozawa informed him of the delegation in the Diet building earlier in the day, according to the secretary general.

Kajiyama, after inspecting a police crackdown on foreign women allegedly engaged in prostitution in an entertainment district in Tokyo, reportedly said September 21, "It's like in America when neighborhoods become mixed because blacks move in and whites are forced out ..."

Meanwhile, a Japanese civic group on welcoming South African black nationalist leader Nelson Mandela issued a statement calling on Prime Minister Toshiki Kaifu to fire Kajiyama. The statement said Kajiyama's remark runs counter to the world trend to strive for coexistence of various races.

Mandela, is now in India on an Asian tour, will visit Japan on October 27 and deliver a speech in the Diet, likely to be October 30.

Japanese Ambassador to the U.S. Ryohei Murata met Dellums and other caucus members in Washington on Wednesday and delivered a letter of apology from Kajiyama to them. Murata called on the group to reconsider the introduction of the resolution but got no clear indication as to how they would respond to the Japanese request, according to a Japanese Embassy official.

The official said the embassy also delivered to the NAACP a letter from Kaifu deploring Kajiyama's remarks as inappropriate.

LDP Official Criticizes Mission

OW1910061190 Tokyo KYODO in English 0534 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—A ruling Liberal Democratic Party (LDP) official criticized a plan Friday to send an LDP mission to the United States to apologize for racist remarks made by Justice Minister Seiroku Kajiyama.

LDP acting Secretary General Takayuki Sato told a meeting of LDP executives that Japan's real intention has been conveyed to the United States because Kajiyama himself had already apologized to U.S. public organizations and related groups and Prime Minister Toshiki Kaifu also sent a letter of apology.

"What more should Japan do?" Sato was quoted as saying.

The governing party plans to send a group of parlimentarians, including former Education Minister Yoshiro Mori, to the United States to apologize for Kajiyama's remarks. Kajiyama compared American blacks to foreign women engaged in prostitution in Tokyo on September 21.

In connection with the proposed controversial United Nations peace cooperation law, Sato questioned whether if Southeast Asian countries criticize Japan as militarist, Japan will again send a special envoy to those countries. "If Japan does not respond with insight, pride, and philosophy, it will not be respected by the world," Sato said.

Opposition Parties Comment

OW1910081190 Tokyo KYODO in English 0725 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—The chairmen of opposition party Diet policy committees said Friday they will pursue Justice Minister Seiroku Kajiyama's responsibility for his remarks comparing black Americans to foreign prostitutes in Japan. Shun Oide of the Japan Socialist Party told reporters that his party will follow this policy regardless of developments in the U.S. Congress because it is clear the minister is responsible for his remarks.

The U.S. House of Representatives Foreign Affairs Committee on Thursday passed a resolution saying Kajiyama should be reprimanded for his derogatory remarks, dropping an earlier version of the resolution which would have asked President George Bush to request Kajiyama's resignation.

Hiroichi Sakai of Komeito said his party has no plan to immediately ask Prime Minister Toshiki Kaifu to sack Kajiyama and that the minister should make his own decision whether to resign or not.

Iwao Teramae of the Japan Communist Party said Kajiyama's remarks were not appropriate for a cabinet minister and that Kaifu should clarify his responsibility by taking measures including the dismissal of Kajiyama.

Atsushi Kanda of the Democratic Socialist Party said the justice minister should express his thinking because it is a personal matter for Kajiyama.

U.S. House Panel Passes Resolution

OW1910033390 Tokyo KYODO in English 0315 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—Japan regrets the passage of a resolution by a U.S. congressional committee demanding that Justice Minister Seiroku Kajiyama be reprimanded for making derogatory remarks about black Americans, the top government spokesman said Friday.

Chief Cabinet Secretary Misoji Sakamoto, commenting on the resolution, said, "The government must take this opportunity to reflect deeply."

The U.S. House of Representatives Foreign Affairs Committee on Thursday passed a resolution asking President George Bush to denounce Kajiyama's remarks that likened blacks to prostitutes because they "ruin the atmosphere" in good neighborhoods.

"As one of the world's leading democracies the government of Japan should demand of its officials the highest level of respect for the diverse peoples of the world," the resolution said.

Sakamoto reiterated a pledge to deepen understanding on minority issues in Japan and among Japanese businesses abroad.

The government made a similar pledge in 1986 when then Prime Minister Yasuhiro Nakasone said inferior education performance in the U.S. is due to the presence of minorities like blacks and Hispanics.

The Foreign Affairs Committee resolution was passed after the removal of a section contained in the draft calling on Bush to seek Kajiyama's resignation. Rep. Mervyn Dymally, member of the House panel and former chairman of the Congressional Black Caucus, said a request from Japan to remove the clause was accepted because "we don't want a fight with the Japanese people."

The U.S. congressional move also prompted the ruling Liberal Democratic Party (LDP) to put off sending a mission to the United States to apologize for Kajiyama's remarks.

LDP Secretary General Ichiro Ozawa told reporters Thursday the mission, to be led by Yoshiro Mori, former education minister who serves as acting chairman of the party's Committee on Minority Issues, will leave Tokyo on Sunday for Washington. LDP sources said Ozawa decided to postpone the mission for the time being to watch developments in the U.S. Congress.

The full U.S. House of Representatives is expected to vote on the Foreign Affairs Committee resolution on Tuesday.

Foreign Ministry Spokesman Reacts

OW1910144990 Tokyo KYODO in English 1130 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—Justice Minister Seiroku Kajiyama's disparaging remarks about U.S. blacks were "insensitive," but for Americans to criticize the entire Japanese people on that count borders on "racism," a Foreign Ministry spokesman said Friday.

"It is wrong to assume that all the Japanese are sharing the view represented in the statement made by Mr. Kajiyama," Taizo Watanabe stressed in a meeting with foreign correspondents. Watanabe was commenting on a U.S. congressional resolution Thursday calling on the Japanese Government to take "immediate and direct action" to combat racist attitudes and for Kajiyama to be reprimanded.

"This is something we did not want to see, a resolution condemning the statement of a cabinet minister, and it is regrettable," the spokesman said.

Watanabe said that, contrary to the image of Japan now being conjured up in the United States, "Many people in Japan share concerns with Afro-American people about the importance of the civil rights movement and are as sensitive as they are to this problem."

"If there is any mood on the part of Americans or other people that because of the statement of a single person the Japanese as a whole are like that, then that thinking itself is rather... I hate to use the word 'racist,' but a little bit wrong," Watanabe said.

Rather then leaving his post, Watanabe said, Kajiyama can assume responsibility in the aftermath of his statement by working with other politicians to ensure a "more correct understanding" of civil rights and minority issues.

Major U.S. Concession in GATT Talks Revealed

OW1810130390 Tokyo KYODO in English 1050 GMT 18 Oct 90

[Text] Tokyo, Oct. 18 KYODO—The United States has made a major concession in the multilateral talks to formulate new rules on trade in services, Japanese Government sources said Thursday.

The new proposal by the U.S. is spelled out in the revised draft text for agreement compiled by the chairman of the negotiating group over the subject.

The services trade talks are being conducted under the General Agreement on Tariffs and Trade (GATT) as part of the Uruguay Round of Multilateral Trade Talks, set to conclude in December.

One of the focal points in the services talks is how to cope with restrictions imposed by a country on the activities of foreign suppliers in the services sector.

The U.S. has been contending that GATT member countries should grant so-called national treatment to all foreign suppliers of services that have been allowed to enter the market. National treatment means giving foreign suppliers an equal footing with domestic suppliers.

And the U.S. has been arguing that if a country imposes any restriction on such treatment or on market access, it should enumerate all the restrictions in a sector-by-sector manner for further bilateral or multilateral negotiations to liberalize the country's services market.

The former draft text by the chairman reflected this U.S. position. But the U.S. has apparently withdrawn its demand on the issue.

The new chairman's text stipulates that countries have only to name the sectors of services business that it intends to liberalize, and enumerate the restrictions concerning the sectors. It also requires GATT member countries to promise to take certain measures to liberalize the sectors where restrictions remain, and to pledge the scope for national treatment in these fields.

With regard to the fields that a country has vowed to open to foreign suppliers, the text says, the country should promote the scrapping of restrictions on market access or on national treatment.

The U.S. softening of its position, as mirrored in the new chairman's text, came as an attempt to draw concessions from developing countries. They have been opposing the sector-by-sector enumeration of the restrictions, saying this is unrealistic since it would make the final agreement a very bulky document.

Farm Minister Concerned by Delay in Trade Talks

OW1910035290 Tokyo KYODO in English 0332 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—Japan's farm minister voiced concern over a delay in international farm trade talks under the General Agreement on Tariffs and Trade.

"It appears it's difficult to go ahead on schedule because of a delay by the European Community in offering a proposal on cutting farm subsidies," said Tomio Yamamoto, minister of agriculture, forestry and fisheries. But Yamamoto, who spoke at a press meeting, declined to comment on whether the Uruguay round of trade talks can end successfully by their December deadline. "It's not a time to comment on that," Yamamoto said.

The four-year round of trade talks, launched in 1986 in Punta Del Este, Uruguay, is aimed at overhauling global trade rules on farm products and 14 other sectors. EC agriculture ministers have so far failed to agree on a package of farm subsidy cuts required for the faltering trade talks.

Asked for comment on a U.S. farm bill which would reduce farm support spending, Yamamoto said it does not point to a change in protectionist sentiment in the U.S. Congress over agriculture.

A House-Senate conference agreed on the 1990 farm bill on Tuesday, approving cuts in spending for American farmers, but giving farmers more flexibility in planting. "That is in line with the big target of cutting the (U.S.) budget deficit," Yamamoto said. "I don't see it as suggesting a turnaround in the U.S. Congress where farm protection is given priority."

In a related development, a government source said a final ministerial meeting of the Uruguay round might be extended three days beyond December 3-5 as slated. The source said such a possibility is growing because of wide differences among major nations over how far and how to slash farm subsidies and how rules on services should be set.

Agriculture is the thorniest area among the 15 sectors covered under the Uruguay round as the United States and the EC remain wide apart over ways to eliminate export subsidies.

Washington is proposing cutting farm export subsidies by 90 percent over the next 10 years, but the EC opposes the U.S. proposal as unrealistic.

Mayor Appeals for Naha Naval Port's Return

OW1910032490 Naha RYUKYU SHIMPO in Japanese Morning Edition 19 Oct 90 p 3

[Text] Tokyo—Naha City Mayor Kosei Oyadomari visited the Foreign Ministry and the Defense Facilities Administration Agency [DFAA] on 18 October and appealed for an early return of the Naha military port. In response, Director-General Matsuura, of the Foreign Ministry's North America Affairs Bureau, said that "efforts will be made in the second round." Thus, he clarified that the bureau will continue to negotiate with the U.S. side for a return of the port, although it was not included in a list prepared in June 1990.

On the other hand, DFAA Director Kodama merely replied that "review and coordination have already started, and we will continue to exert efforts." These remarks were disclosed by Mayor Oyadomari after his meetings with the director-general and the DFAA director.

Mayor Oyadomari's recent appeal was the first of its kind. He was accompanied by Keifu Arakaki, chief of the General Affairs Department; Yoshihiro Yamada, chief of the Harbor Department; and Tsuguo Toma, chief of the Urban Planning Department. Explaining the recent situation on utilization of the Naha military port by U.S. naval ships and plans for future utilization of the land, they strongly appealed for an early return [of the port facilities].

USMC To Limit Access to Shooting Ranges

OW1910063590 Naha NHK Radio in Japanese 2210 GMT 18 Oct 90

[Text] It was reported that objects believed to be bullets landed next to Japanese workers who were working at a road construction site on Camp Hansen on 2 October. Regarding this, the U.S. Marine Corps [USMC] has announced its view that although the incident was not confirmed, in the future it will prohibit workers from entering shooting ranges during exercises.

Objects believed to be bullets alledgedly landed near four workers of local civil engineering companies while they were laying sod at the road construction site in Camp Hansen on the afternoon of 2 October. Reportedly, the workers heard gunshots twice before the objects landed.

The USMC disclosed its investigation results on 18 October and said that no exercise was held at that time at the shooting ranges with an impact area at the construction site, and that no traces of bullets were found in the vicinity of the construction site. Thus, the USMC announced that it could not confirm that bullets had landed [at the construction site].

Moreover, although exercises were held at that time at five other shooting ranges, all gunshots landed at designated impact areas. Thus, the USMC concludes that it is unthinkable that bullets landed at the construction site.

Although workers and other people were previously allowed to enter shooting ranges where no exercises were held, the USMC will ban access to a shooting range in the future when exercises are held at another range to completely prevent accidents.

Nissan, U.S. Firm Set Up Truck Plant in PRC

OW1810130190 Tokyo KYODO in English 1037 GMT 18 Oct 90

[Text] Tokyo, Oct. 18 KYODO—A three-way partnership between Japanese, U.S., and Chinese automakers has begun production of large-sized trucks at its Chinese plant, Nissan Diesel Motor Co., the Japanese partaker in the project said Thursday.

Under the tie-up, Nissan Diesel and the Indiana-based Cummins Engine Co. jointly provide technological assistance in truck production to the Second Automobile Works in Hubei. Nissan Diesel said they will produce 300 such trucks within the year and increase its annual output to 3,000 in 1991, to 10,000 in 1993, and later to 30,000.

The company also said it is negotiating with the Chinese concern for other possible forms of cooperation, including Chinese truck exports to Japan through Nissan's marketing network and technology transfer in bus production by Nissan.

Mandela Diet Invitation Marks 'Important Shift'

OW1710162090 Tokyo KYODO in English 1423 GMT 17 Oct 90

[Text] Tokyo, Oct. 17 (KYODO)—The Tokyo representative of the African National Congress (ANC) said Wednesday a surprise invitation to black nationalist leader Nelson Mandela to address parliament marks a "very important shift" by Japan's legislature.

"One week ago this seemed impossible. This is a big change," ANC Representative Jerry Matsila said. "We hope this will be followed by policy initiatives and the expansion of contacts with the ANC," Matsila said in a telephone interview.

The House of Representatives Committee on Rules and Administration broke with tradition on Wednesday when it gave a green light to Nelson Mandela, vice chairman of the ANC, to speak before Japan's legislature. Usually only visiting heads of state or government are invited to address the Diet.

The antiapartheid leader is expected to make the speech on October 30.

Matsila said he hopes Mandela's visit here, from October 27 to November 1, at the invitation of the Japanese Government will prompt Tokyo to develop "dual contacts" with the ANC to compliment existing relations with the white South African Government.

Matsila said the ANC is also interested in seeking financial assistance from Japan. "They will have to deal with us in the future," Matsila said. "They have an obligation to assist us because there is interdependence between Japan and South Africa."

Matsila cited financial assistance for reintegrating into society ex-political prisoners and ANC members returning from exile as areas where Tokyo could help. He also said he hoped Tokyo's new policy of using official development assistance to promote democratic values would enable assistance to the ANC for training. The Japanese Government has a policy of not contributing to political groups.

Mandela is currently on a 16-day tour of Asia taking him to India, Malaysia, Australia, Indonesia and Japan.

The anti-apartheid activist was jailed for nearly three decades for his fight against forced racial segregation prior to his release on February 11. Since being freed Mandela has traveled to Europe and the United States, where he received celebrity welcomes.

Nation To Sign Chemical Weapons Ban Protocol

OW1810144990 Tokyo KYODO in English 1325 GMT 18 Oct 90

[Text] Tokyo, Oct. 18 KYODO—Japan intends to sign a convention for a universal ban on chemical weapons that is now being worked out in the United Nations, Foreign Ministry officials said Thursday.

Officials said Japan formally made the commitment in a speech delivered Wednesday at the UN Headquarters in New York by Mitsuro Donowaki, Japan's ambassador to the international body. Donowaki was quoted as calling for an early conclusion of the proposed convention, calling it "a matter of great importance and urgency."

The global and effectively verifiable convention would prohibit the development, production, stockpiling, and use of all chemical weapons and would require their destruction.

Officials said the ambassador welcomed as a concrete step toward that goal last June's signing of a U.S.-Soviet treaty providing for the destruction of most chemical weapons stockpiles in the two countries and a halt to their further production. But he said that the international negotiations being carried on among some 40 UN member states have since stalled on several crucial questions, including verification.

Donowaki said that "strong political will" on the part of the negotiating parties is "indispensable" if a breakthrough in the talks is to be achieved.

"It would naturally be too much to expect to establish a 100 percent foolproof verification mechanism," the envoy said. He called on the negotiating parties to agree instead to a more realistic mechanism "that is both effective and reasonably reliable," officials said.

Negotiators, based at the conference on disarmament in Geneva, are also sparring over such other issues as the mode of destruction of existing chemical weapons stockpiles and the establishment of an executive council, which would be charged with observing the implementation of the treaty.

Officials said that Japan, meanwhile, considers it important to ensure that all of the chemical weapons "suspect countries," most of them located in the Third World, become members of the protocol. The three countries that have openly admitted possessing chemical weapons are the United States, the Soviet Union, and Iraq, but U.S. sources are said to point to over 20 "suspect countries."

Donowaki was also quoted as saying in New York that Japan hopes that an ongoing study by a group of UN experts on the question of the transfer of conventional weapons will produce useful conclusions. Officials said he was referring to a study group set up in 1988 to investigate means of ensuring greater transparency and openness in that field, which is expected to submit its conclusions at next year's UN General Assembly session.

In the wake of Iraq's invasion of Kuwait with the aid of massive amounts of foreign weaponry, Foreign Minister Taro Nakayama called at the UN last month for "strengthened global arrangements" against the proliferation of conventional armaments and nuclear, chemical, and biological weapons. But officials here acknowledged that an effective and practical control regime would be difficult to establish.

One official said that in the present Persian Gulf situation, where the U.S. is reinforcing Saudi Arabia's military strength, it might not even be desirable.

Officials noted that when Japan tried in the 1970's to submit a draft resolution calling for a comprehensive study on the nature of global arms transfers, the draft was shot down before it could even reach a vote due to strong opposition from major Third World countries such as India.

Finance Ministry Official Comments on Yen Rise

OW1810153090 Tokyo KYODO in English 1348 GMT 18 Oct 90

[Text] Tokyo, Oct. 18 KYODO—A top-ranking official of the Finance Ministry indicated Thursday the ministry will tolerate the yen's upswing against the U.S. dollar to as high as the 120 yen level. The official, who declined to be identified, said the current appreciation of the yen is not necessarily too speedy.

"The current movements of the yen-dollar rate are occurring within previous ranges," he said. The yen zoomed to a 22-month high in Tokyo on Thursday, closing at 124.40 yen. But the official expressed disapproval of the yen's topping the previous record of 120.45 yen, registered two years ago. "The yen should not enter uncharted territory. We must keep a careful eye on future developments of the foreign exchange market," he said.

Other ministry officials have also supported the recent appreciation of the yen as reflecting the healthy fundamentals of the Japanese economy.

Analysts said the ministry must be comfortable with the yen's advance, since a stronger yen reduces the pressure of rising oil prices on domestic prices.

They also said U.S. monetary authorities are unlikely to go out of their way to shore up the dollar at present, in the belief that a cheaper dollar will make U.S. products more competitive and helps shave the nation's towering trade deficit through larger exports.

'No Plans' Reported for Measures Against Yen

OW1910023690 Tokyo KYODO in English 0146 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—Finance Minister Ryutaro Hashimoto said Friday he has no plans at the moment to take measures against the stronger yen.

"I don't think the tempo of the yen's appreciation is excessively fast," Hashimoto told reporters after a regular cabinet meeting. The finance minister said, however, that he will continue to keep a careful watch on developments in the foreign exchange markets.

The yen has been on an upward track recently, but the U.S. dollar opened at 124.75 yen in Tokyo on Friday, up 0.35 yen from Thursday's close.

Long-Term Prime Rate Said Likely To Be Cut

OW1910144790 Tokyo KYODO in English 1147 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—Japanese long-term credit banks are likely to lower their long-term prime rate by around 0.5 percentage point from 8.9 percent per annum later this month, industry sources said Friday. The move reflects lower yields on five-year bank debentures, a yardstick on which the long-term prime rate is set, the sources said. The debenture coupon of 8.0 percent a year is far higher than the current market levels.

It will be the first such drop in five months in the long-term prime rate charged on loans to most creditworthy companies. The range of decline is most likely to be about 0.5 percentage point, according to the sources.

But the Bank of Japan (BOJ) showed its opposition to a further fall in interest rates, and showed some control in the day's money market to prevent excessive falls in the long-term interest rates, an official at a major commercial bank said.

The long-term prime rate is usually decided by adding 0.9 percentage point to the coupon rate on interest-bearing bank debentures. Bank debenture coupon rates are reviewed when they fluctuate more than 0.2 percentage point above or below market rates.

The bank debenture coupon was 0.4 percentage point higher at the beginning of this week and the gap later widened to 0.7 percentage point at one stage. It then fell due to the slowdown of the yen's advance against the dollar and the central bank's controlling moves. The closing rate on Friday stood at 7.315 percent, the gap between it and the bank debenture coupon rate slightly narrowed to around 0.6 percentage point.

Long-term credit banks are not considering lowering interest rates on housing loans, the sources said.

Accounting Methods Change Revises GNP Upward

OW1910034890 Tokyo KYODO in English 0237 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—The government announced Friday an upward revision of the nation's gross national product (GNP), or the total output of goods and services, following a regular change in accounting methods. The revision comes in line with a switch to 1985 from 1980 as the base year on which GNP data are tallied with a variety of economic statistics ranging from personal consumption to national census figures.

The Economic Planning Agency (EPA) makes a change in the base year every five years to minimize errors in calculating GNP data.

The revised data show the GNP totaling an unadjusted 379.02 trillion yen in fiscal 1988, the latest year for which revised economic statistics are available. The figure presents an upward revision of 6.51 trillion yen, or 1.7 percent, from the previous figure.

Agency officials ascribed the upward revision chiefly to growth in personal consumption, which was revised upward by 6.35 trillion yen to 218.14 trillion yen for fiscal 1988.

On an inflation-adjusted basis, growth in the fiscal 1988 GNP was revised upward by 0.4 percentage point to 5.7 percent as a result of stable prices at that time.

The EPA also reported an upward revision of 7.22 trillion yen in national income to 299.16 trillion yen for fiscal 1988. National income represents GNP minus indirect business taxes, and also equals the sum of all payments made to factors of production.

Net national assets, a measure of national wealth, were revised downward by 0.5 percent to 2,790 trillion yen in fiscal 1988, with the balance of gross national assets totaling 5,982 trillion yen against outstanding debts of 3,192 trillion yen, the revised data show.

MITI Stresses Need To Cut Dependence on Oil

OW1910145090 Tokyo KYODO in English 1024 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—Japan's proposed action program to prevent global warming will require the nation to sharply cut its dependence on oil for energy, the Ministry of International Trade and Industry (MITI) said Friday.

The ministry said that, to hold Japan's carbon dioxide emissions to their 1990 level by the year 2000, as spelled out in the program, oil should be slashed from 57.9 percent of the nation's total energy consumption in fiscal 1989 to 51.3 percent in fiscal 2000, and 45.3 percent in fiscal 2010. This would put Japan's oil supply in fiscal 2010 at 298 million kiloliters, just 9 million kiloliters more than in fiscal 1989.

Oil is a main source of carbon dioxide, which is believed to be chiefly responsible for the so-called "greenhouse" warming effect.

The ministry's estimate of oil supply is a downward revision of a long-term forecast of demand and supply in energy published in June by an advisory panel to the minister of international trade and industry. The ministry projected an oil supply of 305 million kiloliters in Fiscal 2000, compared with 308 million kiloliters seen by the panel, and 298 million kiloliters for Fiscal 2010, against 306 million kiloliters.

The ministry also said that, to make up for the reduced dependence on oil, Japan will depend more on nuclear power and other nonfossil sources. It predicted dependence on these energy sources will rise 0.3 percent from fiscal 1989 to 26.8 percent in fiscal 2010.

Increased Kerosene Asked To Fight Price Hikes

OW1910045890 Tokyo KYODO in English 0443 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—The Ministry of International Trade and Industry (MITI) on Friday started requesting major Japanese oil refiners to boost kerosene production to combat rising fuel oil prices, MITI officials said.

The MITI Agency of Natural Resources and Energy has asked refiners to raise production of oil products in the second half of the current fiscal year by 11 percent from a year earlier to 112.22 million kiloliters by operating at full capacity until the end of the year.

The request will lead to a 12-13 percent boost in overall kerosene production for the six months ending next March over the same period last year.

As a result, Japanese imports of oil products will decline to around half the usual amount in the second half, unless unexpected factors such as an unusually cold winter occur, MITI officials said. MITI's move came on the heels of its report Thursday that the average kerosene price rose 21.5 percent in September from the year-earlier level.

The agency also asked oil refiners to pay more attention to safety while they run their facilities at full capacity.

The step is expected to slash overall imports of oil products in the second half to 75 percent of levels during the same period last year. This will help ease the supply-demand balance on the world oil product market, thereby stabilizing price fluctuations, the officials said.

Coal-Mining Industry Plans To Cut Output

OW1910002290 Tokyo KYODO in English 1447 GMT 18 Oct 90

[Text] Tokyo, Oct. 18 KYODO—The leader of the Japanese coal-mining industry Thursday made clear the industry's determination to cut its output and diversify into more profitable business to ensure its survival.

Atsushi Kawarasaki, president of the Japan Coal Association, made the clarification at a meeting of the policy panel of the Coal Mining Council, an advisory body to the minister of international trade and industry.

The Japanese coal industry has completely lost international cost-competitiveness.

The electric power industry, which has been obliged to buy a certain amount of domestic coal, priced much higher than overseas coal, for the relief of the domestic coal industry, is now calling for the phasing out of coal production in Japan under a new coal-mining policy for fiscal 1992 and beyond. The council's policy panel is studying what sort of new coal policy should be adopted.

Against such a background, Kawarasaki said the industry has decided to bring coal production down to an appropriate level. The present MITI (Ministry of International Trade and Industry) policy calls for the production of 10 million metric tons of coal a year, and organized coal labor calls for production to be maintained at the 10 million-ton level.

The president also said every effort will be made to cut production costs so that the domestic coal cost burden on related industries will be reduced.

Other survival measures outlined by Kawarasaki were overseas coal development and consulting services, civil engineering services, and the production of building materials, operation of hotels and other leisure facilities in the coal mining centers. Kawarasaki said a period of grace and financial support will be needed for the implementation of such a survival program.

'Record' Cocaine Haul Shows Drug Crimes Rising

OW1910044090 Tokyo KYODO in English 0251 GMT 19 Oct 90

[Text] Tokyo, Oct. 19 KYODO—A record amount of cocaine was seized in Japan last year, reflecting a rise in crimes involving various narcotic drugs, according to a Justice Ministry report released Friday. It said the indications are that cocaine abuse will continue to grow in Japan.

The ministry's white paper on crime said police processed a record 2.26 million criminal cases last year, an increase of more than 53,000 from 1988. Thefts topped the list of crimes at 1.48 million cases, followed by 587,800 traffic offenses, 53,600 frauds, and 34,000 cases of embezzlement.

The report said a total of 934,194 criminal suspects were arrested in 1989, a quarter of whom—230,087—were juveniles aged 19 or younger.

It said 1,323 of the juveniles were charged with murder, 195,380 with theft, 35,639 with embezzlement, 25,006 with assault, and 9,467 with threatening behavior.

On crimes related to drugs, the annual official report emphasized the cocaine problem. It said investigators seized a record 13.73 kilograms of cocaine, a 64-fold jump from 1988. The largest single seizure was 1.21 kilograms at Kobe port in August from a cargo ship from Colombia.

The total seizure of cocaine in 1987 was 1.66 kilograms and in 1986 it was 2.12 kilograms.

Eighty-eight people were arrested for cocaine-related offenses, of whom 20.5 percent were charged with smuggling, while 79.5 percent were arrested for possession or dealing in the drug.

The 463-page report said, "It cannot but be admitted that an omen is emerging that cocaine will spread in Japan." It urged strict measures to contain the growth of crimes involving drugs, warning that "a number of foreign nations already have trouble dealing with an increase in cocaine addiction and the problem has become a major international concern."

On crimes involving other drugs, it said 340 people, up from 165 in 1988, were charged under the narcotics regulation law in 1989 and 1,815, down from 2,033, under the hemp control law.

Seizures of heroin last year increased to 27.67 kilograms from 17.31 kilograms in 1988. The confiscation of marijuana by the authorities more than doubled from 198 kilograms to 455 kilograms during the same period, and last year's seizure of LSD was 280 tablets, up from 125 in 1988.

The amount of stimulant drugs seized in 1989 declined to 199.6 kilograms from 290 kilograms in 1988 and 592 kilograms in 1987. Recently, stimulant drugs have been mainly smuggled from Taiwan, it said. Though the number of those charged under the stimulant control law declined to 16,866 people, of whom 2,911 were women, from 20,716 the year before, the figure is still at a high level, it said.

Public prosecutors processed 2.22 million suspects in all categories of criminal cases last year, about 1.3 million of whom were indicted. Of these, 102,283 were brought before courts. The indictment rate of all suspects was 73.6 percent, down from 76.1 percent in 1988.

A total of about 1.26 million suspects received final court rulings, including summary cases, in 1989. The figures show 131 were found not guilty while indictments against 1,063 others were dropped.

The majority of convicted offenders received fines. It said 23,566 men and 1,039 women were sent to prison last year. Five people were sentenced to death, down from 12 in 1988, and 49 received terms of life imprisonment, up from 40 the year before.

The report said the most recent year for which an international comparison is possible, 1988, showed Japan ranked lowest among major industrial countries for the number of criminal cases, with 1.64 million cases. The U.S. had 13.9 million cases, West Germany 4.35 million, Britain 3.55 million, and France 3.13 million.

The number of foreigners accused of crimes went down from 11,503 in 1988 to 10,456 last year. They included 7,134 Koreans, 1,010 Chinese, 465 Filipinos, 417 Americans, and 363 Thais. Koreans form the largest group of foreign residents in Japan, numbering some 681,000 people.

It said 2,782 foreigners were convicted of theft, followed by 1,228 found guilty of assault, 905 of violations of immigration rules, and 654 of offenses involving stimulant drugs.

The number of foreigners deported last year totaled 22,626, up sharply from 4,772 in 1988. Among them, those found to be overstaying visas numbered 19,105, up 3,135, while illegal entrants, boosted by a series of arrivals of Chinese boat people posing as Indochinese refugees numbered 2,349.

It said 780 foreigners were jailed in Japan in 1989, against 855 the year before. Foreign victims of crimes in Japan also increased by 633 to 10,163 cases last year. The bulk of them, 8,805, were victims of thefts, while 414 were assaulted and 212 were cheated in frauds.

A large section of the report was devoted to crimes by juveniles. The number of those aged between 10 and 19 picked up by police was 264,678, down 28,224 from 1988.

Excluding minor traffic offenses, juveniles accounted for 57.5 percent of all offenders, up from 53 percent in the previous year. Three-quarters of juvenile offenders were involved in theft, 11.2 percent in embezzlement and 5 percent in committing assaults.

In comparison with the United States, the former West Germany, and France, it said the total number of crimes committed by those aged 18 or younger in Japan was the second-largest at 200,000 after the U.S. figures of 598,000. But the rate of arrests of juveniles per 1,000 of population was the lowest.

North Korea

Spokesman on Second Round of Talks With South

SK1910013890 Pyongyang Domestic Service in Korean 0700 GMT 18 Oct 90

[Text] The second round of North-South high-level talks has ended. The second-day session of the second round of North-South high-level talks was held in the People's Palace of Culture in Pyongyang on 18 October.

Present at the talks from our side were Yon Hyong-muk, head of the North side's delegation to the North-South high-level talks and premier of the DPRK State Administration Council; delegates and suite members.

Present at the talks from the South side were the senior delegate, delegates and suite members.

In the second-day session which was held in front of the camera according to an agreement between the two sides, they discussed in detail the proposals put forward by both sides during the first-day session.

After the talks ended, An Pyong-su, the spokesman for our side, held a news conference.

[Begin An recording] How are you, everyone? Since I have already told you everything regarding issues at the first-day session held yesterday, I will not repeat them.

I will briefly mention the basic points which were at issue during the talks held behind closed doors today.

The issue which was seriously discussed by the two sides today was the issue on the adoption of a nonaggression declaration. The discussion of this issue lasted for almost one hour and a half.

When we put forward the issue on adopting a nonaggression declaration at today's talks, we believed that an agreement would be easily reached on this issue at today's talks for the following reasons:

First of all, we paid attention to the South side's repeated expression of an official attitude toward the issue concerning the adoption of a nonaggression declaration.

As all of you know, the South side had already put forward the issue on adopting a nonaggression declaration at the UN General Assembly last year. In a congratulatory speech on 15 August, not too long ago, the South side raised the issue on adopting a nonaggression declaration as a natural program, and it expressed its official position that the time had come to adopt a nonaggression declaration.

The South side said that it is opposed to war and that it wants peace. Thus, it repeatedly and clearly expressed such an attitude up to now. Considering this, we thought that there would be no great problem in adopting a nonaggression declaration.

Furthermore, during the first round of talks in Seoul, the South side clearly pointed out that even if such an unexpected situation as military clashes were created, both sides should solve it in a peaceful manner. In the keynote speech during the first round of talks, the South side put forward a clear program stating that both sides should create political and military trust and adopt a nonaggression declaration.

Based on the South side's official remarks in connection with the issue of adopting a nonaggression declaration, we believed that this issue could be fully realized and agreed on during the current talks.

Proceeding from the forward-looking position, our side's plan for a nonaggression declaration includes all contents of the issue talked about by the South side in the past in connection with the nonaggression declaration. We have certainly included all of it.

Then, Hong Song-chol, unification minister in South Korea, had already clearly pointed out this year the basic issues such as declaring the abandonment of the use of armed force, such as not invading the other side with armed forces, such as peaceful resolution of all problems on armed conflicts and such as the realization of disarmament by ending the arms race. We accepted all of them this time.

Proceeding from this position, we thought that there would be no stumbling block in adopting a nonaggression declaration.

Third, from our side's plan for a nonaggression declaration which we had already officially proposed and made public during a series of talks in the past, including the parliamentary talks, we eliminated all points which we considered difficult for the South side to accept.

For example, as a most core issue and inevitable point in the plan of a nonaggression declaration, we called for the withdrawal of U.S. troops and nuclear weapons. We eliminated this, however, by taking the South side's position into consideration.

Since we put forward the proposal for a nonaggression declaration with such content, we believed that there would be no points which could serve as obstacles to the other side in accepting our proposal.

At today's talks, we expressed our expectations for reaching an agreement on this issue and again put forward this proposal with emphasis. In response to this, the South side proposed adopting a joint declaration for reconciliation and peace.

The basic content of this proposal is included in the basic items which are included in the nonaggression declaration. This content is also included in the issue of reconfirming the three-point principles for national reunification which our side had put forward.

The basic framework of this proposal is the same as the memorandum of eight-point basic agreements which the South side has already put forward. The South side has included in this joint declaration, however, the issue on the three-point principles and the basic elements constituting the nonaggression declaration. This is what the South side has come up with.

Our position toward this issue was as follows: First of all, the contents of the joint declaration, which includes a series of complex factors under the vague title of a joint declaration for reconciliation and unity, are very vague in nature. These contents are ambiguous because various complicated factors are included and the title itself is vague. Therefore, this document alone, although there is mention of a nonaggression declaration, is not a nonaggression declaration nor can it substitute for the nonaggression declaration.

Thus, if one wants to adopt a genuine nonaggression declaration in the future, one should adopt another document with the same content, thus presenting problems.

We think that there is no need for us to repeatedly agree on the formal nonaggression declaration in the future after already reaching an agreement on all of the contents of the nonaggression declaration in the form of a joint declaration. There would be no problem if we combine the title with its content in the nonaggression declaration. Why do we give such a complicated title and make the content so complex? A one-time declaration of nonaggression is sufficient, and why should we repeatedly work on this in the future? This being the case, as a compromise, we expressed our readiness to basically accept all of the contents of the joint declaration which the South side has put forward.

We maintained that only the title should be changed, however, and that the nature of this document should be made clear. Expression of some contents may be readjusted if the title is changed. Thus, we put forward a compromise plan.

The South side says, however, that the term "nonaggression" itself is a problem. Furthermore, the South side says that adopting the document as "a nonaggression declaration" is outside the authority of the premier. Our side said that since we are holding high-level talks with plenipotentiary powers delegated by the highest-level [choegowikkup] authorities of both sides, why should it be impossible for the premier with his authority to do it as we are going to declare that we promise and (?embody) that we should not wage a war but live peacefully within the nation; this is different from the signing of a treaty of reconciliation [kanghwa choyak] or a peace treaty between countries. Prime Minister Kang said that he would go to jail if he signs this document. The reason for Prime Minister Kang's insistence on not being able to sign it was that the South side is unable to do so because of the South side's procedural matters. Therefore, we said that if it is because of procedural matters, the South side can take all the necessary procedures. Then we added that the premiers should sit together and work out the nonaggression declaration even if it is to be signed by the top leaders [chongsang] when they meet in the future. Without this process, how can the future process be undertaken? Our position is that we should agree on or discuss this matter at the premiers' talks, while necessary procedures are taken later.

But the South side said that this is not possible either. So we proposed again, as another compromise plan, that if the procedural matters cause a stumbling block, the prime minister and myself sign it provisionally, since the South side can carry out the necessary procedures when it returns home after the provisional signing. The South side said, however, that it cannot do so. Nevertheless, the two sides are fundamentally aware what sort of content should be agreed on between them. The South side is persistently opposed to nonaggression [as heard]. Under these circumstances, we have failed, unavoidably, to reach agreement on this issue today.

We are very regretful over this. The South side promised that it will positively review the nonaggression declaration proposed by us and basically accepted our request that this matter be discussed with an active attitude in the forthcoming third round of talks. Although we failed to reach an agreement on any point today, we hope that the problems may possibly be resolved to a certain extent during the third round of talks. In conclusion, we discussed the issue of the date of the third round of talks. Taking the situations of both sides into consideration, we agreed for the moment to hold the third round of talks between 11 and 14 December, somewhat extending the usual intervals during the first and second rounds of talks. According to the South side's situation, both sides agreed to confirm the date again after contacting each other. [end recording]

South Korean 'Subterfuge' at Talks Noted

SK1810154090 Pyongyang KCNA in English 1522 GMT 18 Oct 90

[Text] Pyongyang October 18 (KCNA)—The spokesman for the South side's delegation to the second inter-Korean high-level talks gave a news briefing following the spokesman for the North side's delegation at the end of the second-day session of the talks at the People's Palace of Culture today.

According to the spokesman for the North side's delegation, it is obvious that most of time was spent in discussing the question of adopting a non-aggression declaration and it was the main topic at the second-day session. Strange enough, however, the spokesman for the South side's delegation avoided as best as he could to mention this and let out a long string of tirade strongly smelling of "two Koreas" such as what "profits" would be brought by "trade" between the North and the South and what "benefit" would be reaped by entry into the United Nations.

It was nearly at the last moment that he made a few remarks about the discussion of the question of adopting a non-aggression declaration at the talks, which had already been recounted by the spokesman of the North side's delegation.

He said the North side strongly called for the adoption of a non-aggression declaration at the talks, but the South side could not respond to it because it is a matter outside the "premier's" authority.

The subterfuge of the South side that the adoption of a non-aggression declaration is a matter outside the "premier's" authority compelled home and foreign reporters to ponder over something.

At the meetings held in recent years between delegates of the North and the South to arrange a North-South joint parliamentary conference the South side objected to the proposal of the North side that the publication of a non-aggression declaration be put on the agenda of the North-South parliamentary talks, arguing that the question of adopting a non-aggression declaration is under the authority of government authorities, not a question to be dealt with by the parliaments.

Providing this argument of theirs was justifiable, the North-South high-level talks in which the premiers of the North and the South sat face to face was, indeed, the most right place where a non-aggression declaration could be adopted.

This time, however, they said that the "premier" cannot sign a non-aggression declaration at the inter-Korean high-level talks because it was outside his authority. If he was to sign it, they claimed, he must go through some procedures back in Seoul to get "approval".

The very persons, who had once shifted on to the "government" authorities the issue of the publication of a non-aggression declaration by contending that it was outside the authority of the "parliament," now talk about "procedures" and "approval," arguing that the issue is outside the authority of the "premier". There is, obviously, a problem in their argument.

This makes the world people doubt about the "qualification" of the South Korean "government." The "premier," who is authorized by the chief executive, has no power to stamp a seal as regards a vital issue of the nation related to war or peace, they say. Can this "government" be regarded as having independence at all?

This makes people feel disillusioned.

At the news briefing, the spokesman of the South side frequently found himself at a loss for a reply to questions of reporters.

The political editor of the ASIAN TIMES of Britain, who is staying in Pyongyang, asked the spokesman: You assert that South Korea's system is "liberal democratic system." Britain is also under the "liberal democratic system." Then why is there such difference. In Britain, everybody is free to go anywhere. Can you tell me why, under your liberal democratic system, the Rev. Mun Ik-hwan and woman student Yim Su-kyong were thrown behind bars for the mere reason that they visited the North? To this question, the spokesman of the South side's delegation failed to give a reply.

The question put by the journalist of Britain, one of the most conservative capitalist countries, caused a great sensation in the news conference hall.

The whole course of the news briefing given by the spokesman of the South side's delegation helped the domestic and foreign reporters see once again who lays manifold obstacles in the way of the Korean people's struggle for reunification.

South Urged To Be Sincere

SK1910025390 Pyongyang Domestic Service in Korean 0026 GMT 19 Oct 90

[NODONG SINMUN 19 October commentary: "Double-Dealing Acts Should Not Be Committed"]

[Text] The second round of North-South High-Level Talks which opened on 17 October in Pyongyang concluded on 18 October.

According to the words of the spokesman for our side's delegation, the two sides of the North and South have failed to agree on anything at all but a provisional agreement on holding the third round of talks in Seoul on 11 December.

It is truly regrettable that the second round of North-South High-Level Talks has come to an end without agreeing on anything at all, going against the desire and expectation of fellow countrymen for reunification, as well as against the mission and goal of the talks themselves.

The basic point of controversy at the second round of North-South High-Level Talks was the issue of adopting a North-South nonaggression declaration. During the talks, our side emphasized the need for both sides to work out and announce a more forward-looking agreement of practical significance capable of making clearer at home and abroad their common desire for peace and reunification and of credibly ensuring a common starting point and then proposed that, as such a document of historical proportions, the two sides adopt and announce a North-South nonaggression declaration.

It is a known fact that the South has repeatedly made clear its attitude about the necessity of adopting a South-North nonaggression declaration. While embracing all of the issues raised by the South side on the contents of the North-South nonaggression declaration, our side did not include in the declaration the issue of withdrawing U.S. troops and nuclear weapons which the South side said was difficult to do.

Our side thought that the two sides would very easily agree on the issue of adopting a North-South nonaggression declaration at the just concluded talks. If the North-South nonaggression declaration were to be adopted as proposed by our side, it would have served as a new set of norms governing the North-South relations, which the two sides should jointly adhere to in their march toward peace and peaceful reunification, and as a basic document that confirms the peaceful North-South relations free from either the threats of northward invasion or the threats of southward invasion.

This notwithstanding, the South side, while taking a negative stand on our just and realistic proposal, preposterously insisted on agreeing on and adopting the so-called joint declaration for reconciliation and cooperation. As indicated by the headline of the declaration, the South side's proposal is vague in its nature and, therefore, if such a document were to be adopted, in no sense can it be a substitute for a nonaggression declaration in the true sense of the word.

At the just concluded talks, our side, driven by a single patriotic desire to create a phase favorable to peace and peaceful reunification at any costs, repeatedly demanded that the two sides agree on and adopt a declaration on nonaggression and later even insisted that a provisional agreement be signed.

Nevertheless, the South side refused even to accept our compromise proposal, saying that the word of "nonaggression" is in itself a problem, that this issue was beyond the authority of the prime minister, or that it should be subjected to a necessary procedure.

Later, the senior member of the South side's delegation tried to defer the discussion of this issue to the next round of talks at any cost, arguing that he would be jailed if he accepts it or that the South side will study it with a view to the future and will actively discuss it at the next round of talks.

Why did the South side, which has repeatedly said it was willing to discuss the adoption of a nonaggression declaration in the past, not respond to our side's just proposal? The South side's act as such cannot be construed other than as an expression of splittist intent to perpetuate the current state of division idling away the time by engaging the divided North and South in trade as though strangers and by allowing a few separated families to have family reunions, without taking such practical measures favorable to peace and reunification as adopting a nonaggression declaration.

Just as it did in the first round of talks, during the second round of talks the South side came up with ideas perpetuating the division, namely the recognition of the South side's existence or its system and then ignored the discussion of such things as what measures to take regarding the United Nations, the discontinuation of the "Team Spirit" joint military exercises, or the release of those who visited the North—issues that await an immediate solution for improving the North-South relations. All this stems from a splittist stance.

Commenting on the two-day talks, we cannot but note the South side's attitude toward the talks as well. As is reported, the South, while mentioning reconciliation, cooperation, or detente outside the meeting place, picked a fight with us with hostility toward us once inside the meeting place.

This not only does not correspond to the character of the high-level talks between the delegations headed by prime ministers, but it is also a rude act casting a dark shadow over the future of the talks.

The South side should give up a double-dealing attitude toward the talks. Its attitude toward the adoption of a North-South nonaggression declaration is a touchstone distinguishing between the reunification-aspiring stand and splittist stand, between the peace stand and a war stand.

The South side should sincerely come to talks with us with a correct attitude and stand to substantially settle the question of national peace and the peaceful reunification of the nation after giving up the anachronistic, splittist perception of confrontation.

The South side should affirmatively respond to our side's proposal for adopting a North-South nonaggression declaration, nor should it ignore any more the discussion of what measures are to be taken regarding the United Nations, the discontinuation of the "Team Spirit" joint military exercise, and the release of those who visited the North—the pressing issues that await solution.

We will make every sincere effort possible to hasten national peace and peaceful reunification of the country by successfully advancing the North-South high-level talks in a way that corresponds to the national aspirations.

Commentary Views North's Stand as 'Just'

SK1910093490 Pyongyang Domestic Service in Korean 1150 GMT 17 Oct 90

[Unattributed commentary: "Who Truly Hopes for Reunification?"]

[Text] The first-day sitting of the second round of North-South High-Level Talks was held in Pyongyang on 17 October, amid the great concern of our people and the people of the world. Premier Yon Hyong-muk, head of our side's delegation, delivered a keynote speech at the talks.

In the keynote speech, our side, noting the closeness and differences in the proposals of the two sides presented at the first round of talks, made clear its stand on how to overcome the differences; on adopting and announcing a North-South nonaggression declaration; on issues that should be concluded during the current round of talks; on how to classify the agenda items in relation to the discussion of the basic issues and in what order they should be discussed; and on how to agree on these items and how to put the agreed items into practice.

The proposals our side presented at the current round of talks, ones that are designed to settle the question of national reunification on the strength of our people, are just and fair proposals that are thoroughly based on an independent stand.

The North-South High-Level Talks now in progress are not for discussing some other people's or some other nation's reunification question, but for discussing the reunification question of our people and nation .

For this reason, the settlement of the question of our national reunification should, without fail, be based on the desire and interest of our people and the reality of our country, and there must be a prescription suitable to the practical conditions of our country.

Essentially, there can be no such thing as an established formula for settling the reunification question of the divided nation. Nor can experience acquired by some other country become a prescription for our country.

Seen in this light, it is unrealistic to try to directly apply to our country's internal affairs, the reunification question, the general plan for developing bilateral relations between two countries, regarding it as a question of relations between two states, or copy the West European countries' confidence-building measures or the process of reunification of East and West Germany. This would only result in prolonging the national division, far from resolving the question of our national reunification.

We should use our own brains to work out ways of settling the question of our national reunification and we should blaze our national path by relying on our wisdom and efforts.

If both the North and South try to solve the question of national reunification independently and creatively from the stand of independence, our people will be able to work out a reasonable proposal suitable to the actual conditions of our country.

Also reflected in our side's proposals is a sincere stand to treasure the North-South talks that have been arranged after twists and turns, and to effect a turning point for national reunification by pushing ahead with the talks at all costs.

As is stated in the keynote speech by the head of our side's delegation, there are some similarities in the proposals presented by the two sides at the first round of talks, but there also are essential differences that require serious discussion.

Without solving these issues, it is hard to expect any headway in the settlement of the question of national reunification and even the North-South high-level talks will inevitably have to be suspended as were the talks in the past.

For this reason, we have presented ways to solve the questions arising in overcoming the differences and even detailed ways of solving the questions reflecting what the South side calls for.

Our sincere efforts as such proceed from a desire to make headway in the North-South talks and to realize national reunification at any cost. At the same time, our side proposed the discussion of what measures are to be taken regarding the United Nations, the discontinuation of the "Team Spirit" joint military exercise, and the release of those who visited the North as issues that must be concluded during the current round of talks.

Maneuvers carried out in the course of conducting dialogue for one Korea with a view toward making two Koreas a fait accompli cannot be condoned. It is preposterous to conduct war exercises against the other dialogue party while discussing issues related to national reunification.

What is more, it is sheer nonsense to keep those who visited the North in prison even at such time as when the high-level officials of the North and South are visiting Pyongyang and Seoul, when athletes and musicians are passing through Panmunjom.

Next, the proposals our side have presented this time are just ones that enable the North and South to reach an epoch-making turning point for removing the state of political and military confrontation which constitutes the basic issue in the North-South relations.

The root cause of aggravating tensions, confrontation, and distrust on the Korean peninsula stems from the political and military confrontation. Without resolving this basic question, nothing can be settled. It is nothing but empty talk to talk about peace and reunification without removing the state of political and military confrontation between the North and South.

Because of this, our side has presented a seven-point draft of a North-South nonaggression declaration. The draft of the declaration has amply taken into consideration issues raised by the South side and has clearly stated the common desire of the two sides for peace and peaceful reunification.

If the nonaggression declaration were to be adopted on the basis of our declaration [as heard], there would be no such things on the Korean peninsula as threats of northward invasion or threats of southward invasion; the distrust and confrontation between the North and South would be removed; and a bright prospect for national reunification would unfold. So, even the South side will have no reasons or justification to refuse to accept our proposal, if it is telling the truth when it says that it wants to remove confrontation and distrust.

Because of their justness and reasonableness, our side's proposals will win great sympathy from the people at home and abroad.

The South side, however, still has not freed itself from its essentially splittist fault. This was well manifested in its repeated call for recognition of its existence in its keynote speech. The so-called recognition of the existence is to recognize the existence of the two states on the Korean Peninsula and, therefore, to say that the North and South should coexist.

As has been stated in the keynote speech of our side's premier, we do not reject the existence of different powers and the existence of different systems in the North and South, nor do we deny the realities of Korea divided into the North and South. It is clear to everyone that the South side's proposal that the two sides confirm this self-evident matter even through a document, at this place arranged for reunification, as if it were a new problem, will not at all help achieve reunification of the country.

Therefore, the South side's insistence that the recognition of the existence be confirmed at home and abroad, at once a call for confirming the existence of two Koreas in the North and South, cannot be construed other than as a splittist position aimed at perpetuating two Koreas through agreement between the two sides.

The South side's act of attempting to perpetuate the status quo, the division, by mentioning the recognition of the entities even in the talks for peace and peaceful reunification of the country at a time when all the people have risen up to realize reunification before the end of nineties, cannot be viewed as appropriate in anyone's eyes.

Precisely because of such a splittist stance, the South side has refused to discuss the issue related to the release of those who visited the North in its keynote speech, something we proposed to discuss as an urgent pending issue at the first round of talks, while not mentioning so much as a word about the measures regarding the United Nations.

The South side's unjust stand has its expression in the fact that the South side, while mentioning the need to remove the state of political and military confrontation, raised only the issues related to exchange, cooperation, and confidence-building, and either ignored or placed on a back burner the settlement of fundamental and pressing issues.

The root cause of the distrust between the North and South stems primarily from the political and military confrontation that has historically continued. This being the case, priority and essential importance should be given to removing the state of political and military confrontation as a matter of course.

This notwithstanding, the South side, while mentioning confidence-building, has not presented a detailed proposal for disarmament. Moreover, it has not mentioned a word about the issue of withdrawing U.S. troops and nuclear weapons and the issue of discontinuing the "Team Spirit" joint military exercise.

It is widely known that the authority person in South Korea has recently openly urged reunification through the use of force and reunification by prevailing over communism through war, calling on the South Korean Army to take the lead in opening the era of reunification.

The fact that the person in authority propagandized war or that the senior member of the South side's delegation said not even a word about the withdrawal of U.S. troops and nuclear weapons or about the discontinuation of the "Team Spirit" joint military exercises in his keynote speech stems from a desire to aggravate confrontation, not from a desire to remove tension between the North and South.

Where our side's proposal was filled with a sincere position and effort to achieve the peaceful reunification of the country by making talks successful at any cost, the proposals presented by the South side reveals an intent to perpetuate the division by doing trade between the North and South, prolonging the status quo.

The first-day sitting of the talks has clearly demonstrated who truly hopes for reunification and who pursues division.

The discussion of issues is designed to remove the state of political and military confrontation between the North and South and to realize diverse cooperation and exchange continues.

The South side should change its splittist stance to one that aspires to reunification in a way that corresponds to the ardent desire of the fellow countrymen, and should approach the talks with sincerity.

Yang Hyong-sop Hosts Reception for Delegation

SK1810154590 Pyongyang KCNA in English 1535 GMT 18 Oct 90

[Text] Pyongyang October 18 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly of the Democratic People's Republic of Korea, hosted a reception for the South side's delegation to the second inter-Korean high-level talks at the Mongnan House this evening.

Invited there were chief delegate Kang Yong-hun and other members of the South side's delegation and its suite members and reporters.

Head of our side's delegation to the talks Yon Hyong-muk, premier of the DPRK, and members of the delegation and officials concerned were present.

Yang Hyong-sop said in his speech at the reception that this October in Pyongyang is animated with repeated auspicious events such as reunification soccer games, the pan-national concert for reunification and the inter-Korean high-level talks, the first of their kind after the division. Over the nearly half a century since the division of the country never has there been such a time as now when the desire of the fellow countrymen for reunification in the North and the South and abroad is running so high, he noted.

He further said:

It is high time we politicians pooled their strength, though belatedly.

We must proceed as one, not two, cooperate and keep in step with each other not only in sports but also in the international political arena.

If we politicians think first of the country and the nation and embark upon the road to reunification, it is possible to easily rid ourselves of the concept of confrontation of the past and proceed together and take a joint step in the international political arena.

In this context we consider it natural to solve the question of entry into the United Nations in favor of the cause of national reunification.

We hope that not only high-level talks but also parliamentarly talks will be held in Pyongyang and Seoul and are ready to advance along the road of national rebirth hand in hand with the "national assemblymen" of South Korea, as politicians who are responsible before the nation.

We all hear a solemn call of the country and the nation at this moment, and now is the historical time when we should open the road to peaceful reunification.

He wished success to the North-South High-Level Talks for the reunification and prosperity of the nation.

Activities of South Delegation in Pyongyang Noted

SK1810110390 Pyongyang KCNA in English 1034 GMT 18 Oct 90

[Text] Pyongyang October 18 (KCNA)—Members of the South side's delegation to the second North-South High-Level Talks and suit members appreciated the grand mass gymnastic display "Single-hearted unity" performed at Kim Il-song Stadium this afternoon by 50,000 school youth and children of Pyongyang. The mass gymnastic display left deep impressions on the spectators.

Today, they visited the Grand People's Study House.

They were briefed on the history of the Grand People's Study House at the Central Hall and went round lecture rooms, reading rooms, etc.

Then, they went out to the balcony and enjoyed a bird's-eye view of Pyongyang.

Meanwhile, journalists of the South side visited the NODONG SINMUN office this morning.

Yon Hyong-muk Sees Off South's Delegation

SK1910051190 Pyongyang KCNA in English 0458 GMT 19 Oct 90

[Text] Pyongyang October 19 (KCNA)—The South side's delegation to the second inter-Korean high-level talks held here and its entourage left here by train this morning.

The members of the delegation led by "Prime Minister" Kang Yong-hun, the chief delegate, were seen off with compatriotic feelings at the guest house Paekhwawon by head of the North side's delegation Yon Hyong-muk, premier of the DPRK Administration Council.

South's Delegation Returns Through Panmunjom

SK1910063790 Pyongyang KCNA in English 0510 GMT 19 Oct 90

[Text] Panmunjom October 19 (KCNA)—The South side's delegation with "Prime Minister" Kang Yong-hun as the chief delegate, its suite members and reporters went over to the South side's portion through Panminjom at 1:30 p.m. today after participating in the second inter-Korean high-level talks held in Pyongyang.

An Pyong-su, director of the Secretariat of the Committee for the peaceful Reunification of the Fatherland, general Kim Kwang-chin of the Korean People's Army and other members of our side's delegation to the talks saw off the South side's delegation at Panmunjom.

The delegation of the South side in a statement made prior to its departure from Pyongyang said the two rounds of talks produced precious sprouts for advancing the South-North High-Level Talks in the days ahead and earnestly hoped that the day of reunification would come as early as possible.

KCNA on Seoul's Veiw of Non-Aggression Pact

SK1910105790 Pyongyang KCNA in English 1045 GMT 19 Oct 90

[Text] Pyongyang October 19 (KCNA)—The South side which had repeatedly expressed its stand on the question of adopting a non-aggression declaration in the past, did not respond to our proposal for its adoption at the second North-South High-Level Talks.

This is the topic of a commentary of NODONG SINMUN today headlined "No Double Game Must Be Played."

The news analyst says:

The main point at issue at the second talks was the adoption of a North-South non-aggression declaration.

We included in the draft non-aggression declaration all the matters raised by the South side, leaving out the problem of the withdrawal of U.S. troops and nuclear weapons which it said it could hardly accept.

If the declaration is adopted, it could be a new norm of North-South relations which the North and South should observe together in advancing toward peace and peaceful reunification and a basic document which could confirm peaceful North-South relations free from "threat from the South" or "threat from the North".

The South side, however, failed to respond to the adoption of the non-aggression declaration, contending that the phraseology of "non-aggression" itself is a "problematic," it is a "matter outside the premier's authority" and he would be thrown into prison, if he accepted it.

Such acts of the South side revealed its splittist intention to permanently freeze the present state of division by dragging on the time, while doing trade and letting a few separated families visit each other, the North and the South left divided like aliens, without taking a practical step favorable for peace and reunification.

The South side should affirmatively accede to our side's proposal for adopting a North-South non-aggression declaration and should no longer ignore the problems of U.N. membership, an end to the "Team Spirit" joint military exercises and the release of the visitors to the North that await an urgent solution.

Chang Chol, SKNDF Official Attend Party

SK1910064390 Pyongyang KCNA in English 0449 GMT 19 Oct 90

[Text] Pyongyang October 19 (KCNA)—The North side's preparatory committee for the pan-national concert for reunification gave a party for the participants at the People's Palace of Culture on the evening of October 18.

Invited there were Mr. Yun I-sang, chairman of the preparatory committee for the pan-national concert for reunification, and the members of the South and overseas Korean art troupes who are participating in the concert and the visiting groups.

Cho Il-min, delegate of the mission of the "South Korean National Democratic Front" [SKNDF] (Hanminjon) in Pyongyang, and South side's reporters accompanying the Seoul traditional musical instrumentalist group were also present on invitation.

Vice-Premier and Minister of Culture and Art Chang Chol, Vice-Chairman of the Committee for the peaceful

Reunification of the Fatherland Han Si-hae and other officials concerned as well as men of culture and artistes were present.

Mr. Yun I-sang spoke first on the mixing of the water of the Lake Chon of Mt. Paektu brought by our men of culture and artistes with that of the Lake Paeknok of Mt. Halla brought by the Seoul traditional musical instrumentalist group at the party.

He expressed his strong hope that the divided territory would be reunified into one with the feelings of our nation reigning the North and the South as the water of the Lake Chon of Mt. Paektu, the symbol of our nation, is mixed with that of the Lake Paeknok of Mt. Halla.

Kim Won-kyun, chairman of the Central Committee of the Korean Musicians Union and chairman of the North side's preparatory committee for the pan-national concert for reunification, and delegate Hwang Pyong-ki of the Seoul traditional musical instrumentalist group mixed the water of the Lake Chon of Mt. Paektu with that of the Lake Paeknok of Mt. Halla and the participants drank the water to the reunification.

Chairman Kim Won-kyun spoke at the party.

He said that the current concert, a grand art festival of the artistes at home and abroad who are earnestly longing for the reunification of the country and the development of our folk music, will be a noteworthy event in the history of national music as well as the history of the movement for national reunification.

The artistes at home and abroad who are participating in the pan-national concert for reunification, he stressed, should brilliantly adorn the concert as an auspicious art festival which preludes reunification music and a meaningful stage of reconciliation and unity.

Delegate Hwang Pyong-ki spoke next.

He hoped that the door of the barrier of division would be opened and the road of reunification be paved through free pan-national gatherings anywhere in the North and the South.

He pointed out he was moved by the welcome and hospitality by the compatriots in the North and their warm compatriotic feelings while staying in Pyongyang.

He expressed his hope that the concert which raised its curtain with success today will remain long in the history of our nation.

Reunification Concert Group Tours Pyongyang

SK1910061290 Pyongyang KCNA in English 0513 GMT 19 Oct 90

[Text] Pyongyang October 19 (KCNA)—The South and overseas Korean artistes participating in the pan-national concert for reunification which began here on October 18 and the members of the visiting groups went round various places of Pyongyang and local areas.

The Seoul traditional musical instrumentalist group toured the Tower of the Chuche Idea, the Arch of Triumph, the May Day Stadium and Kwangbok and Chongchun Streets.

The Seoul traditional musical instrumentalist group, a delegation of Korean musicians in Japan, the Koryo art troupe in Sakhalin region, the USSR, the visiting group of Koreans from the western part of the United States and other art troupes, delegations and visiting groups of overseas Koreans visited Kim Il-song University, the Mangyongdae School Children's Palace, the Pyongyang Maternity Hospital, the Pyongyang International House of Culture, the Mansudae art studio, and other places.

A delegation of Korean musicians in China, a visiting group of Koreans from Canada and other art troupes, delegations and visiting groups of overseas Koreans inspected the West Sea barrage.

Head of the delegation of Korean musicians in China Choe Yong-hui after inspecting the West Sea barrage said that it was thanks to the great economic power of the country and the invincible strength of our people united around the party that the magnificent barrage of world standard was built with home design, technique and materials and labor force.

The South and overseas Korean artistes and the members of the visiting groups of overseas Koreans saw the revolutionary drama "Three Pretenders" and a circus performance.

U.S. Blamed for 'Worsening' Korean Situation

SK1810053790 Pyongyang KCNA in English 0520 GMT 18 Oct 90

[Text] Pyongyang October 18 (KCNA)—The U.S. imperialists are keeping and reinforcing their armed forces in South Korea and increasing military support to it under the pretext of "treaty commitments", "threat from the North" and "military equilibrium". This comes under fire in NODONG SINMUN today. Recalling the blast of the U.S. deputy defence secretary some time ago that the U.S. military presence in the Far East will continue "as long as it is necessary and the United States wants it" and a report of the NEW YORK TIMES that the United States will form tactical flying corps and a carrier flotilla for their permanent deployment in South Korea, Japan, etc., the news analyst says:

The United States is advertising U.S. forces' "cutback" program in South Korea, but it is no more than an "adjustment that does not damage the combat capabilities" in any case and it does not mean a change of the "strategy of forward deployment" for the attainment of the war aim in "an event of contingency".

In the recent period alone, the U.S. imperialists introduced a battalion of latest-type F-16 fighter-bombers in South Korea and are busy with building a special underground nuclear arsenal and an airfield for nuclear bombers. On the other hand, the United States is giving spurs to the buildup of the South Korean Armed Forces. And the scheme to strengthen the air forces of the U.S. Forces and South Korea draws a more serious attention.

The buildup of aggression forces and new war preparations in South Korea tell that the sharp edge of the spearhead of the U.S. imperialists' anti-socialist Asia-Pacific strategy is directed against our Republic and they are making haste for its execution.

The U.S. imperialists' occupation of South Korea is the biggest evil that threatens peace on the Korean peninsula and increases the danger of war there and bars the peaceful reunification of Korea. The socalled "treaty commitments", "threat from the North" and "military equilibrium" are a despicable sophism invented by the United States to justify its Korean aggression. The worsening situation on the Korean peninsula is entirely a result of the U.S. imperialists' Korean policy.

If the United States truly wants detente and peace on the Korean peninsula, it should affirmatively respond to our peace proposal, withdraw its troops and nuclear weapons out of South Korea and stop interfering in Korea.

'Unanimous Demand' for U.S. Troop Pullout

SK1910104190 Pyongyang KCNA in English
1029 GMT 19 Oct 90

[Text] Pyongyang October 19 (KCNA)—The United States must withdraw its forces from South Korea without delay in accordance with the unanimous demand of the Korean people and the world's peace-loving people and the resolution of the UN General Assembly, says NODONG SINMUN in a signed article today.

The U.S. imperialists, the article says, are becoming all the more undisguised in their aggressive, interventionist and belligerent manoeuvres, not getting out of South Korea until now when it is 15 years since the resolution on withdrawal of U.S. troops from South Korea was adopted at the 30th session of the UN General Assembly. This is an act of ignoring and violating the UN resolution and a vicious challenge to the Korean people and the world's peaceloving people who want peace and peaceful reunification of Korea and to the unbiased world public opinion.

Disclosing the aggressive nature of the "security commitment" and "war deterrent" formulae invented by the U.S. imperialists who have ignored the U.N. General Assembly resolution, with the aim of keeping their troops in South Korea, the article goes on:

The U.S. troops have neither reason nor excuse to remain in South Korea.

They must get out of South Korea for peace and peaceful reunification of Korea, and this is a unanimous voice of the South Korean people and the world's peaceloving people and an irresistible demand of the times. And since this demand was adopted as a U.N. resolution, the U.S. forces are under unavoidable obligations to withdraw from South Korea at an early date.

The United States must refrain from playing tricks as regards its troop pullout from South Korea, going against the trend of the times.

Chondaehyop Chief To Fight Intelligence Organs

SK1810102990 Pyongyang KCNA in English
1008 GMT 18 Oct 90

[Text] Pyongyang October 18 (KCNA)—Song Kap-sok, chairman of the "National Council of Student Representatives" (Chondaehyop) of South Korea, who is now sought by police, clarified the stand of Chondaehyop to the present political situation in a press conference held at Konguk University on October 16, according to a report.

Noting that the surveillance over civilians by the "ROK Army Security Command" means "the present 'regime' defines the people as the enemy," he declared that "surprise attacks and occupation of the local Security Command and Security Planning Board offices would be launched for the dissolution of all intelligence organs."

In another development, the Seoul District Federation of General Student Councils held a regular meeting of representatives at Hanyang University on the same day. It reviewed its first half-year struggle and vowed to "direct all their efforts to the struggle for the dismantlement of intelligence organs."

South Students Attempt To Occupy U.S. Embassy

SK1910084290 Pyongyang Domestic Service in Korean
1300 GMT 18 Oct 90

[Text] According to a radio report from Seoul, university students who identified themselves as members of the anti-U.S. national salvation suicide squad belonging to the National Council of University Student Representatives [Chondaehyop] today attempted to occupy the U.S. Embassy to stage a sit-in.

In Yongin camp of the Hanguk University of Foreign Studies on 14 October, they decided to occupy the U.S. Embassy and to stage a sit-in struggle there.

Riding on a car which they had on stand-by at Hanyang University at around 0700 this morning, they arrived in front of the U.S. Embassy and attempted get inside the embassy. However, they were blocked by police and taken to the police station.

Today the students were carrying placards with anti-U.S. slogans and the anti-U.S. national salvation declaration. It was learned that in their anti-U.S. national salvation declaration, they urged the United States to immediately discontinue the maneuvers to obliterate the existence of the masses and national economy.

Kaifu's Remarks on Improving Relations Reported

SK1910051690 Pyongyang KCNA in English 0459 GMT 19 Oct 90

[Text] Pyongyang October 19 (KCNA)—Japanese Prime Minister Kaifu reportedly manifested the position of the government concerning the improvement of the DPRK-Japan relations at the plenary session of the House of Representatives of Japan on October 16.

In reply to an interpellation, Kaifu said, "as our country has asked North Korea to hold negotiations between authorities without preconditions, we are willing to respond to the negotiations as soon as possible."

He admitted the fact that the reparation has not been settled between Japan and the DPRK and the Japan-DPRK relations have remained abnormal for 45 years after the Second World War and, accordingly, the reparation for this period has not been discussed. He expressed the willingness to sincerely discuss this problem at the negotiations between Japanese and DPRK authorities in the future.

At the session of the house of councillors October 17, he said he would like to hold inter-governmental negotiations for diplomatic relations between Japan and North Korea as soon as possible.

Novel Portraying Kim Chong-il Published

SK1910102890 Pyongyang KCNA in English 1017 GMT 19 Oct 90

[Text] Pyongyang October 19 (KCNA)—The Literary and Art Publishing House of Korea recently brought out the full-length novel "WISDOM" (by Yi Chong-yol of the April 15 literary writing group). By portraying dear Comrade Kim Chong-il wisely leading the creation of cinemas and operas, the novel vividly shows how the revolutionary traditions of literature and art have been defended and carried forward brilliantly.

Comrade Kim Chong-il said the legacies of the literature and art created during the anti-Japanese revolutionary struggle are the revolutionary traditions to be inherited by the Korean literature and art. And he saw to it that "The Sea of Blood", "The Fate of a Self-Defence Corps Man", "The Flower Girl" and other immortal classical masterpieces were filmized [as received]. The novel gives an earnest delineation of the brilliant intelligence and warm human love of Comrade Kim Chong-il, describing in detail the course of creating the feature film "The Flower Girl".

It vividly depicts the personality development of the characters who grow up to be excellent directors and genuine men in the bosom of the party.

What is impressive in the novel is a story that Comrade Kim Chong-il looks after and guides the work and life of the creative staff in filmizing "The Flower Girl", a masterpiece of the times, in firm unity by revolutionary comradeship.

The novel also tells how Comrade Kim Chong-il presses ahead with the creation of operas including the revolutionary opera "The Sea of Blood" together.

It portrays the intelligent trait of Comrade Kim Chong-il who expounds immortal theories of art —the theory on the seed and theories on defending and carrying forward revolutionary traditions in literature and art, organising the mood well in the cinema and introducing stanzas and pangchang [chorus] in operas—and ushers in a great heyday of literature and art.

'Tested' Leadership of Worker's Party Hailed

SK1910001290 Pyongyang Domestic Service in Korean 1400 GMT 7 Oct 90

[NODONG SINMUN 7 October special article: "Our Party Is Iron-Willed Party Seasoned and Tested in Protracted, Arduous Struggle"]

[Text] Our party has a long history and glorious tradition. It is an invincible revolutionary party which constantly glorifies its history and tradition through practical struggle.

During the last 45 years, our party has traversed the single path of worthwhile revolution shining with proud victory and exploits. This path was a glorious and brilliant course in which we have accumulated great brilliant achievements of the century by highly upholding the banner of the revolution amid unprecedentedly arduous struggle.

Through the protracted revolutionary struggle, our party won absolute support and trust from the majority of the masses and has grown and strengthened as an indomitable revolutionary party with rich experiences and tested leadership.

Cherishing the firm conviction that when we follow the banner of the great party we will win victory without fail, no matter what storm may lie ahead, our people today are vigorously fighting, overflowing with profound ambition and confidence.

1. Our party has a long, glorious history in which it has paved a new way for its achievement through struggle. Amid the rigorous storm of revolution, our party took its historic root and realized the cause of party building, demonstrating its pride as an ever-victorious iron-willed party with invincible might.

Dear Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the party Central Committee, has indicated: Our party has traversed the glorious course of struggle for more than half a century since it took root with the formation of the Down-With-Imperialism Union [DIU]; and on this road it has accumulated great brilliant achievements of the century, and has grown and strengthened as a powerful revolutionary party united rock-firm and equipped with a wealth of experience.

The leadership of the party is a fundamental factor for victory in the revolution and construction. The party of the working class is a staff office and political leader of the revolution. The correct lines, strategy, and tactics for victory in the revolution and construction are to be advanced—and the powerful main force of the revolution is to be provided—by the party. Thus, a new way of the revolution will be brilliantly paved.

The destiny of the revolutionary struggle and construction work completely depends on the party's leadership. For the party to fulfill its mission assigned by time and history, it should have invincible strength and leadership.

Revolutionary struggle and construction work are difficult and complicated tasks that have to experience many difficulties and trials. Only with indomitable strength and leadership, capable of successfully overcoming any difficulty and brilliantly resolving any grave task, can the party fulfill its mission of leading the revolution and construction and win absolute trust and support from the people.

The might and leadership of the party are not naturally generated. They will be fostered and consolidated indomitably in the course of breaking through the rigorous and arduous storm of the revolution by following the leadership of the great leader.

Just as iron is tested by fire, the revolutionary is fostered amid struggle, and the party is seasoned and tested by various trials of history. Only the party which can overcome difficulties during the long struggle and has accumulated rich experiences can skillfully resolve the complicated tasks laid before it without fear, no matter what storm may draw near, and creditably lead the revolution.

Our party is brilliantly leading the revolutionary cause with indomitable strength and leadership in compliance with the demands of current developments and of the revolution, since it victoriously overcame the most rigorous and arduous storm of revolution in history.

The road our party traversed was a very arduous course, considering the seriousness of the struggle against the enemies at home and abroad and a deep, complex course of social reform. Our party had to go through a multitude of difficulties and trials at every stage.

This is a road which cannot be victorious unless the party's might and combat capabilities are demonstrated in every way. The arduousness, protractedness and complexity of the revolutionary struggle were the important factors which enabled our party to have ever-victorious and invincible might and leadership by overcoming difficulty.

Our party has firmly built the organizational and ideological foundation in the midst of struggle since it took its historic root. This is an important characteristic of our party. This also served as a firm guarantee that enabled our party to lead the revolution and construction with invincible might from the first day of our party's founding.

Just as the tree with deep root does not sway in the wind, the party which has long historic root does not waver in any wind or storm. This is a precious truth proven by historical experience in building our party.

It has been 45 years since our party was founded. But our party began to take root in 1926. At that time, the communist movement in our country could not traverse the path of smooth development and experienced pain and vicissitudes.

The Korean revolution demanded a new type of revolutionary party. This demand was raised as a task of the time for the young communists of the new generations.

The great leader Comrade Kim Il-song put forward at an early date a policy for founding a revolutionary party—the chuche-oriented revolutionary line—which stressed that if we want to carry out the revolution, we should deeply mingle with the masses and struggle by relying on them, and that we should build the party and lead the revolution with our own strength in compliance with the practical conditions of our country.

This policy elucidated a unique line for founding, strengthening and developing the party, which was unprecedented, in an independent and creative manner. Implementing this line itself, therefore, was difficult and serious work which broke down outdated previous theories and experiences and accompanied a struggle against various opportunist factions.

To achieve the chuche-oriented revolutionary line and policy for founding the party advanced by the great leader Comrade Kim Il-song, the young Korean communists of the new generations tenaciously struggled by dedicating the bloom of their youth, and even their lives.

The Down-With-Imperialism Union, which was a starting point in building a new type of revolutionary party, was thus formed under the leadership of the great leader, and the first party organization was born in Chialun.

The first party organization was the glorious beginning of our party and a model for successive party organizations.

The anti-Japanese armed struggle opened a new decisive aspect in the struggle to found our party. This was a sacred liberation war for saving the nation and the people and at the same time, was a struggle to build a revolutionary party of the working class.

In the course of the anti-Japanese armed struggle, party organizations of the Korean People's Revolutionary

Army [KPRA] were formed and the system of leading party organizations at all levels was established. Thus, the leadership of the party over the entire Korean revolution was firmly realized.

The organizational backbone for founding the party was fostered on a large scale and unity of the party ranks was firmly attained. Thus, the mass foundation for founding the party was firmly laid. This was an incomparably precious success won during the anti-Japanese armed struggle.

The organizational and ideological foundations for founding the party are mighty because they were provided by the great leader Comrade Kim Il-song one by one in the midst of bloody struggle against the Japanese imperialists. These foundations have immortal vitality because they reflect the chuche idea.

Thanks to this foundation, our party was founded at a proper time and developed as the working people's party immediately after national liberation. Since then our party, through its invincible might, has led with certainty the revolution and construction. History has never witnessed a party like ours, which for 20 years steadily waged the struggle to build the organizational and ideological foundation. It was founded after acquiring abundant experiences and registering substantial achievements during this time. This clearly proves our party's historic root is deep and strong and that our party, founded on this root, from its first day began operation as the tested, tempered party.

Our party is the tested and experienced one which, as the ruling party, not only has brilliantly solved difficult and complicated tasks in all phases and fields of the revolution and construction, but also has pioneered the new road of socialism. The working class' party is the political organization leading society. To attain high prestige and a firm position that grasps and leads the popular masses' political activities with unity, it is imperative that the party have an omnipotent leadership.

Our party, as soon as it was founded, not only had to organizationally and ideologically consolidate the party itself as a ruling party, but also had to shoulder all heavy burdens that arose in building a new society, a new fatherland. Our party not only had to build a mass-based party which takes deep roots among the working masses, but also had to build the people's government. It even had to build the regular Armed Forces. It indeed was heavy, difficult work to solve broad, burdensome tasks in implementing the revolution, construction, and party building, even under the complex situation of unscrupulous maneuvers by the imperialists.

At that time our party was just a newly founded one. But it brilliantly solved all assigned tasks independently and creatively. This was the proud course which demonstrated the party's might of building the organizational and ideological foundation for establishing the party, inheriting the anti-Japanese revolutionary tradition. The historic cause of building a mass-based party in our country by merging the Communist Party and other working people's parties, including the working class and advanced elements of peasants and working intellectuals, thus was completed, and all tasks which arose in state building, armed forces building, and economic and cultural construction were fulfilled.

Our party became more tested and tempered in the course of leading socialist construction down an unexplored road. It was not easy building socialism with independent strength under a difficult situation in which everything was backward. Our party led the socialist revolution and socialist construction with its own strength, taking the chuche idea as its firm guiding principle. This course was a course of strengthening the main forces of the revolution and of reforming the society according to the demands of the chuche idea. By completing the socialist reform in the production relationship in cities and rural areas in a short period, our party established the socialist system of our style and outstandingly built the socialist national economy.

Under the leadership of our party our people have built the man-centered socialism which has embodied the chuche idea. In other words, our people have built a socialism of our style in which the popular masses have become the genuine masters of the society and in which everything in the society serves the popular masses. Amid the great struggle of creation and construction for socialism our party has grasped and led in a unified manner the work of all fields, including the political, economic, education, art, military, and diplomatic fields. Thus, our party has constantly and victoriously advanced forward, turning adversity into prosperity and turning misfortune into fortune.

Our party has had the ever-victorious might and almighty leadership which can brilliantly solve any difficult and complicated tasks and which thus can lead the revolutionary struggle to the single road of victory, because it has vigorously advanced the course of socialism along a unique road under the most arduous conditions. Our party also is a revolutionary party which has resolutely safeguarded and defended the cause of socialism under the situation in which the country is divided and in which we have to struggle, directly confronting the U.S. imperialists, the ringleader of the imperialists.

The road toward socialism brings with it a struggle against all sorts of the enemy. Moreover, our party could not help but wage a struggle to carry out the socialist cause in our country at the same time when it was waging a struggle to crush the U.S. imperialists' vicious challenges and hindrance maneuvers. The U.S. imperialists maneuvered to crush our cause by provoking an all-out war of aggression at one time and by imposing economic blockades and cunningly launching ideological and cultural infiltrations at another. However, our party has resolutely responded to the imperialists' challenges and double-faced tactics with intransigent struggle and the spirit of adhering to revolutionary principles, and has resolutely defended and protected the socialist cause.

When the U.S. imperialists started the war of aggression, without being shaken at all, our party vigorously mobilized all our people to a sacred war to destroy the enemy. Also, when the imperialists frantically maneuvered to provoke a new war, our party presented the line of carrying out economic construction and military construction at the same time and firmly consolidated the socialist fatherland.

Never has our party been afraid of the imperialists or discarded revolutionary principles. It has achieved peace and defended its cause through struggle. Our party has fought against the imperialists and domestic reactionary forces and has also waged a formidable struggle against various sorts of opportunists. As a result of a struggle against all sorts of enemy of the revolution, our party has grown to be a vigorous iron-willed party that cherishes a strong anti-imperialist principle and that has abundant experiences.

The WPK has traversed an honorable road for the past 45 years and has clearly demonstrated the justness of its cause and the invincibility of this cause through practical struggle. Of course, our party's path has not always been smooth. On this road, we have shed much blood and have faced unbearable sufferings. However, to the chuche-oriented revolutionaries of Korea, what is arduous but honorable is fighting under the party's leadership. Based upon their long practical experiences, our party members and workers have firmly believed that only when they follow the party's leadership, they will surely win victories after overcoming difficulties. This was a rock-solid belief that our people have cherished all along in the 45 years of struggle, while sharing their life and destiny with the party. Just because our party instilled this unshakable belief among our people, our party's road is brilliant as proud annals.

2. Our honorable party is a great helmsman that leads revolution and construction to victory with invincible might and leadership.

While upholding the banner of revolution and socialism, our party has led the Korean revolution to boundless upsurges, thus vigorously demonstrating its dignity and honor as a party that has a great tradition and history and as a chuche-oriented party that is tested in struggle. The leadership of our party, which was tested through the long stormy revolution, has become more seasoned and invincible as the revolution deepens and develops, and provides firm prospects for completing our revolutionary cause to the end.

Comrade Kim Chong-il, member of the Presidium of the Party Central Committee Political Bureau and secretary of the Party Central Committee, has pointed out: Our party is a seasoned and tested party that is leading revolution and construction to victory without deviation, and is a powerful party that has organizational and political abilities to mobilize all the popular masses' boundless creativity.

Our party has brought about immortal achievements in revolution and construction that will shine throughout the century. Not only because achievements that it brought about for the times, the revolution, the fatherland, and the people are great but also because its might and leadership which grew through its practical struggle is invincible, our party has high authority and absolute dignity which nothing can destroy, and is unanimously trusted by all the Korean people. Because our party is mighty, our people can strenuously walk along the single road of revolution despite the fact that the imperialists are more viciously kicking up antisocialist maneuvers.

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Our party has entered a great turning point in its own development and its might and fighting power forged in the course of a protracted struggle are being highly displayed in all directions.

In the rewarding struggle for modeling the whole party on the chuche idea—as indicated by dear Comrade Kim Chong-il—our party has become a party that has been imbued to the brimming point with a single ideology, the chuche idea. Its members from the party Central Committee down to the lower reaches of the party—the party cells—breathe and move as one. It is a party that has achieved a single-hearted unity of the whole party, a single-hearted unity between the party and the popular masses.

This is the noblest gain that the Korean communists have attained in their protracted struggle for the party founding. There is nothing more proud for our people than to brilliantly consummate the cause of the chuche revolution under such an invincibly revolutionary party.

The invincible might of our party as an ever-victorious, iron-willed party, finds its expression, first of all, in the fact that it invariably maintains the independent stand in the revolution and construction. It is essentially the party's own inherent requirement that the party of the working class maintains independence.

Since the party is a political leadership institution that fights for the realization of the popular masses' independence while rejecting all manner of domination and subjugation, it should maintain the independent stand as a matter of course.

As shown by historical experience, when the party fails to maintain independence and plays to the tune of others, it ultimately leads to the destruction of the party and revolution. Only the party that stages a revolutionary struggle independently and creatively, in its right mind, can enjoy absolute support and trust from its own country's popular masses and vigorously propel the revolution and construction by mobilizing their inexhaustible strength.

The independent stand and creative stand are the basic positions to which our party invariably adheres in the revolution and construction. In the past, our party adhered to the principle of independence not only in founding itself and the government, but also in carrying out the revolution and construction.

The important problem that arose in this was to establish chuche by thoroughly overcoming toadyism and doctrinism. Proceeding from the characteristics of our country's historic development, the complicated environment in which our country finds itself in, and the experience acquired in the course of carrying out the Korean Revolution, our party, assuming it as a matter of life and death related to the fate of the party and the revolution to oppose the toadyism and doctrinism and to establish chuche, has tirelessly struggled.

As a result, our party has uprooted the toadyism and doctrinism left in the minds of men and armed them firmly with the chuche idea and its embodiment, the party policy, in order to make them see and judge everything in a chuche-oriented standpoint and then solve it on their own.

In the process, new changes took place in the ideological and spiritual life of the party members and working people and an uninterrupted upsurge was effected in the revolution and construction. At the same time, our party, assuming the responsibility for the Korean Revolution, has solved all problems arising in the revolution and construction independently and creatively, in a way that corresponds to the particular reality of our country.

Without exception, all the lines presented by our party, including ones on giving priority to developing heavy industry and on simultaneously developing the light industry and agriculture; the lines on national economy of self-reliance; the policy of turning the rural community into an agricultural cooperative and of patterning private-owned commerce and industry on a socialist style; and the lines on the three revolutions—ideological, technological, and cultural—are independent from start to finish. Herein lies the basic precipice that has enabled our party to advance the revolution and construction on a victorious path.

The road that our revolution has traversed has been treacherous and complicated, while many new problems that we were unable to solve with existing formulas cropped up on our path. Our party, however, has not only overcome the toadyism and doctrinism that had continued to plague us just like incurable diseases, but also has been able to realize chuche in ideology and independence in politics by firmly maintaining the independent stand and creative stand in the whole course of carrying out the revolution and construction. And in the process, our party has also been able to build a mighty national economy of self-reliance and defense capabilities of self-defense capable of reliably guaranteeing for our people happy material and cultural living and of ensuring the safety of the fatherland.

Since it conducts its revolutionary activity independently and creatively, our party has been able to thoroughly maintain consistency and principle in its formulation of lines and policies and in their execution and to lead the revolution and construction without even the slightest deviation or stagnation.

Under no circumstances can there be any change in the basic stand and the modus operandi of our party that leads the revolution based on the chuche idea which it has assumed as its guiding principle, no matter what changes the times may bring about.

Our party will build, more wonderfully, socialism of our own style suitable to our people's aspirations in the land of the fatherland by carrying out the remodeling of men, society, and nature independently.

The might of our party as an invincible, iron-willed party, finds another expression in the fact that it invariably maintains the independent stand in the revolution and construction by forging blood ties with the masses and carries on the revolution and construction relying on their creativity.

The party is the masses' own core and guiding force. A party having nothing to do with the masses is inconceivable. Nor is it possible to talk about the might of a party that has no dependence on the strength of the masses. Only a party that is capable, with its root deeply struck among the masses, of organizing and mobilizing the masses and that enjoys support and trust of the masses, can demonstrate the invincible, ever-victorious strength and fulfill its mission as the staff office of the revolution and as the political leader of the masses.

Historical experience shows that a party, even if it is in power, will not just become weak, but will also even jeopardize its own existence if it is isolated from the masses and not supported and trusted by the masses.

Our party's tradition of blood ties with the masses was provided in the days of the arduous anti-Japanese revolutionary struggle. The great leader Comrade Kim Il-song, regarding the ties to the masses as a basic question that is related to the fate of the revolutionary organizations as soon as he embarked upon his revolutionary road, made it an inviolable rule to be in the midst of the popular masses, to trust them, and to carry on the revolution and construction by mobilizing their strength and wisdom.

Our party, which has inherited the anti-Japanese revolutionary traditions, has struggled after assuming the defense of the interest of the working masses as the paramount principle in its activity and has fulfilled the vast tasks in the revolution and construction by raising the creative role of the popular masses.

It was on the strength of the popular masses that our party has carried out the historical tasks of the post-war period rehabilitation and socialist industrialization. Also on the strength of the popular masses has our party overcome the grave ordeals generated by the Fatherland Liberation War and survived the desperate offensive by the antiparty and the counterrevolutionary factionalists in the postwar period.

In the course of braving the grave ordeals imposed by history, with the party and leader trusting the people and the people trusting and following the party and leader, our people have produced a large number of epics, like the loyalty demonstrated by the 10 party members in Nagwon, an old lady in Taesong, and the working class in Kagnson.

Today, the leadership of our party which propels the revolution and construction on the strength of its trust in the masses, by giving full play to the creativity of the popular masses, is becoming more tested and displayed more with the advancement of the revolution.

To combine the party's leadership with mass lines is the basic principle of our party in its activity. While ensuring the unitary leadership over all areas of the revolution and construction, our party is making the masses fully display their creative wisdom and strength by thoroughly implementing the revolutionary mass lines.

In particular, under the slogan of "Serving the people," our party is paying thorough attention to making the functionaries go deep among the masses according to the demand of the Chongsanri spirit and Chongsanri work methods and faithfully serving the people by upgrading the level of their party-mindedness, their working class-mindedness, and people-mindedness.

With the revolutionary mass lines thoroughly implemented and with the whole party energetically devoted to improving the work methods and mettle, the whole party is vibrant with the revolutionary spirit and the party's ties to the masses have been strengthened beyond comparison.

Today, our people follow the party and leader with absolute faith in them and display high their incomparable devotion and mass heroism in implementing the party policy driven by their single- minded loyalty that they do whatever the party wants them to do. The miracles that are being endlessly created in socialist construction, evidenced by the construction of a massive number of great monumental creations of the Workers' Party era, such as Sohae Lockgate and Kwangbok Street, the building of 50,000-unit of dwellings and the produce-more-and-save-more struggle, are a powerful demonstration of how our people trust and follow the party.

Our established party, perform wholly with the masses in this way, is invincible and no force on earth can break up the blood ties between our party and the masses.

The might of our party as an invincible, iron-willed party, finds another expression in the fact that it successfully fulfills difficult and complicated tasks in socialist construction with the masterful and tested leadership art.

The party is a weapon for the revolution and construction as well as a guiding force of a socialist and communist society. Only when it is equipped with the masterful and tested leadership art can the party of the working class become a militant vanguard unit and vigorously organize and mobilize the broad masses in a revolutionary struggle.

In the long course of leading the difficult and complicated revolutionary struggle and construction work through various stages from the day he embarked upon the revolutionary path, the great leader Comrade Kim Il-song has created the revolutionary and popular leadership art and has embodied them.

The leadership art of our party—which is now leading the revolution and construction to victory—is a chuche-type leadership art which has inherited the great leader's leadership art and embodied the chuche idea and the revolutionary mass lines. This is a mighty weapon that enables our party to lead our revolution according to the demand of the developing times and to the desire of the popular masses, without even the slightest deviation and stagnation.

The revolutionary environment and conditions needed for realizing independence for the popular masses change endlessly. However, there can be no such things as changes in the revolutionary stand of the party which is supposed to consummate the revolution. The problem is how the party of the working class apply the revolutionary strategy and tactics in a creative manner according to the new historical conditions while defending its revolutionary stand amid the changed environment.

The ideological resoluteness capable of defending the revolutionary banner under any circumstances are the creative ability to skillfully put into action new theories and methodologies in a way that suits the changed atmosphere of the times are the important part of the leadership art that a revolutionary party of our times should embrace.

The inheritance and creativity are the leadership principle that our party has consistently maintained in the course of leading the revolution and construction. While thoroughly defending the revolutionary stand of the working class, our party is creatively developing the theories, strategy, tactics on the revolution and construction in a way that corresponds to the new atmosphere of the times.

Theories, strategies, and tactics presented by our party, including the theory on the occupation of the ideological and material fortresses of communism; the theory on the characteristics of modern imperialism, its inevitable downfall, and the inevitable victory of the socialist cause; and the theory on the basic superiority of our socialism of our own style built on the chuche idea, have become the banner of struggle which enables us to resolutely defend and safeguard the socialist cause and develop them creatively.

Our party's firm stand is that the revolution must be carried on without interruption as long as imperialism stays and legacy of the old society lingers in various areas of social life in our country. In all areas of its activity, our party firmly adheres to the revolutionary principles and the stand worthy of the Workers' Party, while advancing under the banner of the continued revolution.

The leadership art our party displays in discharging the complicated tasks raised before the times and the revolution is mighty indeed. Our party's refined and tested leadership art, expressed in its scientific foresightedness and decisiveness with which it unfolds uncommonly high targets and grandeur plans and carries them in a bold and daring manner by foreseeing not only the near future, but also the distant future; in its unmatched organizing ability and leadership finesse to vigorously stir up the entire party, the whole country, and all the people after presenting struggle slogans that appeal to the masses in their hearts; and stubborn revolutionary operational ability and iron-clad will to locate the main point of issues under any complicated circumstances, figure out the methodology for solving the issues, and then carry them out as quickly as a blitzkrieg, is a mighty driving force that leads our revolution from victory to victory.

As long as such a great party stays with us, we have nothing that we cannot do and we have nothing to fear no matter how complicated the tasks we may face. Under the leadership of our party, our people have overcome serious difficulties and ordeals time after time. They were not without reward and as a result, we have come to be under a powerful revolutionary party so much desired by the Korean Communists and people for so long.

Today, our party is proud of being a party that takes the chuche idea as its guiding principle, has established the monolithic ideological system within the whole party and achieved a single-hearted unity, an invincible revolutionary party that is consummating the revolutionary cause of chuche to accomplishment, while keeping blood ties with the popular masses and bringing their role into full play. Our revolution may face difficulties and ordeals and the persistent obstructive moves of the enemy. Any hardship and trials, however, will not block the road of our people who are advancing under the leadership of our party and are seasoned and tested in the struggle.

That the glorious WPK has developed and strengthened itself as a guide armed with an invincible, ever-victorious might firmly ensures our revolution a brilliant future. Forty-five years ago when our party was founded, our party did not have many members and the ideological and volitional unity of the ranks was not firm. Our party, however, carried out a complicated social revolution, defeated the U.S. imperialists, and completed the difficult postwar rehabilitation by relying on such a meager force.

Today, our party has been strengthened organizationally and ideologically beyond comparison with the partly shortly after inception has come to have rich experience and tested leadership.

Our party's foundation is so firm that nothing can rock it because the entire party and all the people uphold the party and leadership with revolutionary faith and sense of obligation and because they are full of the single-hearted determination to share their fate with the great leader [yongdoja] indefinitely.

In particular, because the youth are being tenaciously prepared as successors to the revolution who are full of a firm determination to go tens of thousands of li under the leadership of dear Comrade Kim Il-song, the issue of successor to the party and revolution [tanggwa hyongmyongui kyesungsong munje] is being brilliantly resolved in our country.

Because of this, our party's history shines as 45 years of victory and glory in which the world-renowned immortal feats have been accomplished, as well as a great 45 years during which the way has been paved for a brilliant future.

As is shown by reality, long history and traditions alone do not develop a party of the working class into a party armed with invincible might. The essence lies in upholding at the head of the party a great leader [yongdoja] capable of defending and glorifying the history and traditions of the party.

Our party upheld a great leader at its head not only in the initial period when it was striking its historic roots, but also today when the revolution has advanced further. This is our people's greatest happiness as well as the highest honor.

Because the great leader Comrade Kim Il-song who has brilliantly led the cause of party building since the days of the anti-Japanese revolutionary struggle stands at the head of the party and revolution and because the glorious party center is now wisely leading the cause of the party, our party is a seasoned and tested party, as well as a party full of youthful vigor, ambitions, and passion.

Because it upholds a great leader [yongdoja], an expansive prospect is unfolding before the Korean Revolution and our struggle is more rewarding.

Our revolution has not yet come to an end and, therefore, we must continue the arduous struggle. We have more things to do in the future than what we have done.

In order to complete our long and treacherous journey of struggle and brilliantly consummate the revolutionary cause of chuche, it is imperative to further develop and strengthen our party as an invincible, ever-victorious revolutionary party and rally all the people around the party and leader as one.

To our people, our party is a great banner of victory and glory. Our people, who have always and under any circumstances trusted the party during the difficult times and happy hours and have drawn strength and courage from the party's might and who have marched along the single-track revolutionary road under the leadership of the party, are now renewing their steel-firm faith that they will as in the past share the life and death and fate with the party forever.

Since the party and leader are great and all the people follow the party and leader with absolute trust in them, our revolutionary cause will vigorously march along the single-track road of victory and glory, breaking through all storms, without fail.

Necessity of Improved Railway Transport Stressed

SK1910081190 Pyongyang Domestic Service in Korean 0010 GMT 22 Sep 90

[NODONG SINMUN 22 September editorial: "Let Us Firmly Give Priority to Railway Transportation in Conformity With the Demands of the Grand March"]

[Text] The whole country is seething with the struggle to implement the great leader Comrade Kim Il-song's historic policy speech and the decision of the 17th plenary session of the sixth party Central Committee. Thanks to our people's vigorous struggle to glorify the 45th anniversary of the party's founding with greater labor success, a new upsurge is being effected in production. This reality demands that greater quantities of cargo be transported more rapidly by enhancing the role of railway transportation, the forerunner of the national economy.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the party Central Committee, has indicated: Transporting cargo is precisely the primary duty of functionaries of the railway transportation sector. Therefore, functionaries of the railway transportation sector should transport cargo needed in the various sectors of the national economy in a timely manner.

The railway is the forerunner of the national economy which serves all sectors of the national economy and is the most important transportation means in our country. Only when the railway more rapidly transports greater quantities of cargo to plants, enterprises, and construction sites can production and construction be regularized at a high level, a high speed be guaranteed in the economic construction overall, and, as a result, the economic might of the country be strengthened, and the people's living be more rapidly improved.

Just as raw materials and materials necessary for production and construction are transported through the means of railway, people, too, utilize the means of railway, and the ties between urban and rural areas have been made through the railway. Therefore, giving priority to railway transportation becomes a very important factor in developing the overall national economy and in improving the people's living. Without the rapid development of railway transportation, no matter how many plants and enterprises may be built they cannot prove their worth, nor can a correct balance be guaranteed in production and transportation. Apart from the development in railway transportation we cannot contemplate the problem of strengthening the political, economic, and cultural ties between urban and rural areas and the problem of achieving convenience in the people's living.

The material and technological foundation of railway transportation in our country today has been extraordinarily strengthened under the party's leadership. However, today's rapidly developing reality demands that priority be given to the railway transportation sector over other sectors by concentrating greater efforts on developing it.

Today, under the wise leadership of the party we are waging the rewarding battle to successfully fulfill the task of the first year of the nineties, the era of hope and struggle. The spirit of our party members and working people who are effecting a great revolutionary upsurge, holding aloft the flames of the struggle for production increase and conservation, is very high. As the revolutionary zeal of our people is increasing and as production and construction are being vigorously waged, calls for more rapid transportation of raw materials, fuel, and materials is coming from everywhere.

Only by transporting raw materials, fuel, and materials in a timely manner by giving priority to railway transportation can the already existing economic foundation prove its worth. Major construction projects which are now underway, including the construction of Tongil Street, the second-phase construction of the Sunchon Vinalon Complex, and the construction of the Sariwon Potassium Fertilizer Complex, depend greatly on the development of railway transportation. The important guarantee for brilliantly fulfilling the national economic plan of this year which marks the 45th anniversary of the party's founding and, thus, for effecting a great revolutionary upsurge in socialist construction by vigorously waging a mass movement for production increase and conservation lies precisely in more properly solving the railway transportation problem.

What is important in firmly giving priority to railway transportation is for functionaries in this sector to assiduously plan and coordinate their organizational work. Without properly planning and coordinating organizational work, no task can be properly and smoothly carried out. In particular, the railway nets distributed throughout the country cannot be properly operated without close organizational work. The reserves which can increase the quantity of cargo transportation with the existing material and technological foundation of the railway transportation rest precisely with properly doing the organizational work of transportation.

With lofty awareness that they are the commanding members who have a handle on railway transport, all functionaries in the railway transport sector should mesh general work together—including the work of proving the worth of introducing heavy-duty railway transport, the work of loading and unloading cargo, and the work of strengthening the weak sectors—and should properly organize and execute them.

By effectively utilizing the existing railway transport capabilities and with primary emphasis on transporting greater quantities of cargo, functionaries should properly organize and implement the organizational and guidance work.

One of the important issues in improving the organizational work is to thoroughly establish a unified command system of railway and to regularize the operation of the railway. Only when the unified command system is established and the railway operation is regularized, can accidents be prevented in advance and can the consistency in action be ensured. Thus, we can transport more cargo more swiftly.

The railway transport sector should thoroughly establish a unified command system, whereby all units and posts move only by the directive of commanding personnel.

We should see to it that everyone knows railway regulations and thoroughly abides by them. At the same time, the train operation schedule should be properly prepared and all trains should be operated according to the running schedule.

Functionaries of the railway transport sector should more attentively carry out the organizational work for implementing the three-point transport policies—concentrated transport, joint transport and container transport—which were put forward by our party.

Accelerating the production and repair of freight cars is one of the important guarantees for effecting a turning point in railway transport. Freight cars are a basic means of railway transport. The railway transport sector should continue directing great strength to production of heavy-duty freight cars and locomotives.

In particular, the 4 June Rolling Stock Complex should persistently wage the struggle for production of open freight-cars and should produce more heavy-duty freight-cars. By maintaining close ties with concerned plants and enterprises, all units of railway transport sector should carefully handle and make the best use of freight-cars and should repair freight-cars, which are out of order, in a timely manner.

The railway transport sector should build more facilities for loading and unloading cargo in switch yards and railway stations and should properly carry out guidance and control work for the management and operation of railways exclusively used at plants and enterprises.

The railway transport sector should carry out the organizational work so that the rails are replaced appropriately, blocks are replaced with firm ones, and the gravelling work is carried out with in regard to the frequent operation of heavy-duty freight cars.

A railway station can be called a railway cell. Just as a man is healthy only when the cells of his body are healthy, only when railway stations are strengthened, can overall railway transport fulfill its role and missions as the forerunner in national economy.

The railway transport sector should properly carry out the organizational work with functionaries of railway stations so that their role and responsibility are enhanced according to the demand of the developing reality. Firmly giving priority to railway transport is not someone else's work. Solving transport problems means solving production problems.

Therefore, our party consistently demands that the entire party, the whole nation, and all the people vigorously support the railway in order to smoothly solve the railway transport problems. The guidance functionaries in all domains of the national economy—including the responsible functionaries in committees and ministries of the State Administration Council, cherishing the outlook that the work of solving the transport problems is not someone else's work but their own—should give priority to transport problems when they discuss production issues.

In particular, the domains of metallurgy and machine industry should produce and supply facilities, materials and cooperative products required for producing locomotives and freight cars with priority. Plants and enterprises should help accelerate the modernization of railways including reinforcement of weak points in railways and strengthening of the material and technological foundation, and should timely resolve problems raised in increasing transport and passage capabilities.

The reality which calls for a great turning point in railway transport demands that the role of party organizations at all levels be enhanced. The party organizations at all levels in the railway transport sector should properly lead the functionaries and workers in the railway transport sector including commanding members and locomotive engineers so that they carry out the assigned revolutionary tasks in a manner worthy of masters and in a responsible manner with lofty revolutionary resolution.

At the same time, party organizations of committees and ministries in the State Administration Council and all plants and enterprises should more attentively carry out the organizational and political work to support the railway. Thus, we should see to it that a great turning point is effected overall for railway transport work and the increasing demand for transport in the national economy more smoothly ensured.

South Korea

Kim Il-song Reportedly Seeks Summit With No

SK1810095490 Seoul YONHAP in English 0936 GMT 18 Oct 90

[Text] Pyongyang, Oct. 18 (OANA-YONHAP)—North Korean President Kim Il-song, in a rare gesture of inter-Korean amity, told visiting South Korean Prime Minister Kang Young-hun on Thursday that he hoped to have a summit meeting with President No Tae-u, a southern official said. "I expect the prime ministers from both sides to make their efforts for realizing at an early date a summit meeting with President No Tae-u as matters handled by the prime ministers' talks could also be discussed in the summit meeting," the North Korean leader was quoted as saying.

Kim met with Kang, in Pyongyang for the second round of inter-Korean high-level talks, in the Presidential Palace for about 20 minutes.

No has long called for a summit to discuss pending inter-Korean issues and eventual reunification of the Korean peninsula, but it is the first time the North Korean ruler has said he wants a summit with a South Korean president. Kang was Kim's highest-ranking guest from the South since national division at the end of World War II.

Kim also made it clear that there is something he wants, the official said, and quoted him as saying, "I hope visible results will be made in the prime ministers' talks before the summit meeting is realized."

He had strong expectations for the third round of high-level talks, to be held in Seoul in December, the official said. "Although the two sides failed to adopt any statements in the Pyongyang talks, I have great expectations as the two sides agreed to hold the third round of talks in Seoul," Kim was quoted as saying. Kim also said, "My meeting with President No should be an encounter that produces good results. If there is no outcome, it will disappoint the people. So I expect the prime ministers to make good preparations and endeavors so that the summit meeting can be held smoothly."

"President No has a strong will for realizing unification at the earliest date," Kang said. "Unification should be realized to become one people and one nation," Kim replied.

The 78-year-old communist ruler said it is meaningful that the high-level talks were realized, 10 after years the North proposed them.

Kim met with the southern delegates for about 20 minutes in Kumsusan Uisadang, the huge, fortress-like presidential palace outside Pyongyang. The meeting followed a tete-a-tete between Kim and Kang, which was attended by North Korean Prime Minister Yon Hyong-muk and a southern delegate, Kim Chong-hui, assistant to the president on national security and diplomacy The meetings reciprocated with No's meetings with Yon and the North Korean delegates in Seoul on Sept. 6, when they came to the southern capital for the first round of the historic premiers' talks.

Kang gave Kim a verbal message from No that contained the southern leader's strong hope for a summit with Kim as well as some important proposals for improving ties between the two adversaries, the official said. Kim and Kang also had a deep discussion on major inter-Korean issues raised during the second round of premiers' talks, according to the official, who declined to elaborate.

Kim and Kang greeted each other warmly in the entrance to Kim's office, shaking hands and exchanging pleasantries, before Kim guided the southern premier into his office and sat opposite him at a rectangular table.

"Glad to see you. I welcome you," Kim was quoted as saying during the three-minute photo session. "Mr. President, when I left Seoul, President No Tae-u asked me to give his cordial regards to Your Excellency," Kang was quoted as saying. "Thank you. Is President No in good health? Please convey my loving regards to him when you have returned Seoul," Kim replied.

Kang also conveyed No's appreciation to Kim for his help in realizing the premiers' talks, the official said. "The same to President No," Kim was also quoted as saying. "I am very much pleased to see that the prime ministers' talks are going smoothly, thanks to your side's cooperation."

Kim was also quoted as saying that he thought the premiers' talks would produce good results as he saw that atmosphere had been created for fruitful results in the Pyongyang talks. Kim consistently referred to them as the prime ministers' talks, not the high-level talks as North Korean officials have done, the official said.

The prime ministers' talks are the highest-level official contacts between the divided halves, which fought a fratricidal war during 1950-1953 and have since remained technically at war, with more than 1.5 million forces from both sides confronting each other along the heavily-fortified military demarcation line.

The second round of the talks ended earlier in the day without a formal agreement, but the two sides said progress had been made in discussions on major issues to lower tension and enhance exchange and cooperation for unifying the Korean peninsula.

They agreed to hold the third round of talks Dec. 11-14 in Seoul.

Southern officials said there might be agreements in the third round of the talks as the two sides were close on some proposals, especially the South's proposal for an agreement on inter-Korean reconciliation and cooperation, a modification of an eight-point basic agreement presented earlier, and the North's draft of a nonaggression declaration.

Kang Briefs No Tae-u on Inter-Korean Talks

SK1910104090 Seoul YONHAP in English 1019 GMT 19 Oct 90

[Text] Seoul, Oct. 19 (YONHAP)—South Korean President No Tae-u was Friday told by Prime Minister Kang Yong-hun and other delegates to the just-ended inter-Korean high-level talks that North Korean President Kim Il-song was apparently willing to have South-North summit talks.

Kang and his company visited No at his office upon their return from Pyongyang and briefed him on the results of the second round of South-North prime ministers talks. Kim Chong-hui, presidential adviser for diplomacy and security affairs, told No that he got the impression that Kim Il-song was willing to have talks with the South Korean president.

Kang reported that North Korean leaders showed "a great deal of tenacity" for the non-aggression pact in the high-level talks. He said, "While our side was suggesting that those North Korean proposals that are acceptable by the South be included in a basic accord drafted by the southern side and be announced in the form of a joint communique, the northern side was sticking to its proposal that a non-aggression pact be signed or declared right away."

Regarding the non-aggression pact, Kang said, the southern delegation stressed the need to secure devices to guarantee faithful implementation of the pact and deter wars from occurring. Kang said he tried to convince the North Korean side with the need to abolish a clause calling for communization of the South from the existing Workers' Party Charter before signing the non-aggression pact. "But things did not turn out as I wished," Kang said.

Upon being briefed on the Pyongyang meeting, No said, "There have been a difference in the positions between the two sides. North Korea wants to start with a non-aggression pact and expand discussion to political and military issues while the South seeks to start with accepting reasonable things among North Korean proposals as well as building up mutual trust through exchanges and cooperation."

However, No said, "Prime Minister Kang's direct meeting with North Korean President Kim Il-song itself has a great significance."

Kang, Others Comment on Trip to Pyongyang

SK1910083690 Seoul YONHAP in English 0810 GMT 19 Oct 90

[Text] Panmunjom, Korea, Oct. 19 (YONHAP)—South Korean Prime Minister Kang Yong-hun, returning home from the first trip to North Korea by a South Korean official of his rank, said Friday he was surprised when North Korean President Kim Il-song addressed him as "Your Excellency, Mr. Prime Minister."

"I called him 'Mr. President,' but he addressed me as 'Your Excellency, Mr. Prime Minister' and I was very surprised. President Kim looked to be in extremely good health. When I asked him what kept him so healthy, he said, 'Optimism,'" Kang said.

He and the six other delegates to the second round of high-level political, military talks arrived in the truce village of Panmunjom at 1:28 p.m. in a fleet of Mercedes-Benz sedans and were welcomed in the South by Government Administration Minister Yi Yun-taek, State Minister for Political Affairs Kim Tong-yong and other officials. Asked if he still had a cold, the prime minister said, "I feel good after having drunk some water from the Taedong River. My cold seems to have escaped during the busy talks and I'm now in better shape as I had so many rare dishes there."

Kang said he was sorry South and North Korea had failed to issue a joint communique but found consolation in the agreement to hold the third round of talks in Seoul in December. In an unusual compliment to the press corps, he said, "This time the journalists worked harder than us delegates, trying to clearly grasp the reality in the North and to explain our situation to the people there. Even the Northern delegation expressed thanks for the cooperation of our journalists."

Kim Chong-hui, presidential aide for national security and diplomacy and a member of Kang's delegation, said he could see North Korea's transport capability from the trip. "It took three hours and 50 minutes to go the 160 kilometers from Kaesong to Pyongyang by a train. I also learned that North Korea has one 13th of our electricity capacity, relies too much on water power and suffers from short circuits. The quality of electricity is poor and an overall energy shortage is aggravating deforestation," he said.

Before driving to Seoul, Kang, the delegates, the 33 support personnel and the 50 journalists who had accompanied them, had lunch in a dining hall on the third floor of peace house in the southern section of the village and promised to meet at a Chinese restaurant in downtown Seoul on Monday to disband the team.

At around 2 p.m., the northern side sent five trucks filled with gifts and luggage to Panmunjom. The gifts from President Kim Il-song to President No Tae-u were a picture frame, a meter square box and a 50cm square box whose contents were secret.

Kang and his entourage arrived in downtown Seoul at 3:50 p.m.

Seoul TV Shows Kim Il-song Receiving Premier

SK1910015990

[Editorial Report] Seoul Television Service in Korean at 1205 GMT on 18 October carries a three-minute report on the meeting between DPRK President Kim Il-song and ROK Prime Minister Kang Yong-hun at the Kumsusan Assembly Hall. The report begins with shots taken from a moving vehicle of the road leading to the assembly hall. Following several shots of Kang's arrival at the assembly hall, the camera shows medium shots of Kim Il-song shaking hands with Kang Yong-hun. Next, as the camera shows pan and medium close-ups of Kim and Kang, the following conversation is heard:

[Kang] "Mr. President, when I left Seoul, President No asked me to give his cordial regards to your excellency."

[Kim] "Thank you. Is President No [No Tae-u taetongnyong] in good health?"

[Kang] "Yes."

[Kim] "Please convey my regards to him when you return to Seoul."

The camera continues with medium close-ups of Kim and Kang, and at one point when he turns to face DPRK Premier Yon Hyong-muk, the reported cancerous growth on the right side of his neck is shown. The report ends with various shots of North Korean security personnel shooing the ROK reporters and cameramen out of the meeting room.

[Note: All North Korean reportage on the meeting between Kim Il-song and Kang Yong-hun failed to report or omitted the fact that Kim Il-song had mentioned No Tae-u's name and referred to him as President No Tae-u]

Soviet Reporter on N-S Talks Prospects

SK1810030190 Seoul THE KOREA TIMES in English 18 Oct 90 p 2

[Report by Correspondent Kim Chang-yong]

[Excerpt] Pyongyang—A correspondent for Soviet Union state television station said the prospects look gloomy for the second prime ministers' talks between South and North Korea.

Citing broadcasts by Pyongyang television about the talks on the eve of the first-day session, he said that the prospects for the premiers' meeting are "pessimistic."

He said that the Pyongyang television made a short report on the premiers meeting after airing other local news. He added that it focused in a commentary on pointing out the "problems" of South Korean suggestions one by one.

The Soviet correspondent said that he had already sent his article to his country, observing that the second premiers talks between the South and the North will end without producing substantial results, like the first meeting in Seoul last month.

About 30 foreign reporters are in Pyongyang to cover the first highest officials' meeting in Pyongyang and are throwing questions at reporters from South and North Korea about the prospects for the talks.

North Korea issued entry visas to 10 journalists from Bulgaria, Germany, and Japan, but they said that Pyongyang did not brief them on the conference.

Mun Myong-cha, a Korea woman who runs U.S.-Asian News in the United States was the only journalist from the United States who was issued an entry visa for the talks. She said that leading news media such as AP, UPI, and the New York Times applied for the entry visas but were turned down.

Press centers were established for journalists from the South and North on the second floor of the conference site, the People's Cultural Palace.

A handful of North Korean reporters visited the press conference for the southerners and commented about the keynote speech by South Korean Prime Minister Kang Yong-hun.

Asked about the prospects, one of them grumbled, "Seoul did not release those visitors to the North..." He was referring to student Yim Su-kyong, Rev. Mun Ik-hwan and Rev. Mun Kyu-hyon who are now in prison for their "unauthorized" visits to Pyongyang last year. [passage omitted]

Seoul Concerned Over Japan's Gulf Policy

SK1810022690 Seoul YONHAP in English 0213 GMT 18 Oct 90

[Text] Seoul, Oct. 18 (YONHAP)—South Korea will make public its concern about and opposition against Japan's move to send troops to the Persian Gulf shortly.

A senior government official said Thursday that Korea, a Japanese colony for 35 years early this century, saw the dispatch of Self Defense Forces to the Gulf as promoting the militarization of Japan and felt deep concern.

The government discussed counter-measures to the move Tuesday as the Japanese Government submitted the bill to send ground and naval forces to the Gulf.

The government will not convey its stance to Japan through diplomatic channels since Japan has not yet decided whether it will send the forces abroad, and will settle its position on the matter after the Japanese parliament deals with the bill.

Further on Student Attack on U.S. Embassy

SK1910021790 Seoul THE KOREA TIMES in English 19 Oct 90 p 3

[Text] Elevlen radical students, including two co-eds, were arrested yesterday morning as they tried to scale a wall of the U.S. Embassy in Seoul in an effort to seize the embassy compound in protest against the Uruguay Round negotiations.

They tried to climb the wall after crashing a Besta van into a barricade at the rear gate of the embassy, police said.

The protesters who were armed with homemade bombs, firebombs and metal clubs, are members of Chondaehyop or the National Alliance of Student Representatives.

Shortly before being whisked away by riot police, they distributed leaflets that accused the United States of trampling on the Korean economy and the people's right to earn a living.

There was no apparent damage to the embassy compound, police said.

Ki Ung-yol, 23, a Hanyang University junior, was hospitalized with a head injury sustained in a brief skirmish with riot police.

Police seized 20 firebombs, four homemade bombs, seven steel bars and three Korean flags.

At the time of the takeover attempt, there were about 50 people, mostly Koreans waiting for embassy offices to open.

"There were six or seven students yelling anti-American slogans," one witness told reporters. "They tried to throw the firebombs over the walls and then they began waving the metal clubs."

The embassy compound is surrounded by 3 meter high stone walls topped by wire fencing. One cannot enter the compound without passing though locked doors which are heavily guarded.

Korean riot police are stationed outside the compound 24 hours a day.

Pak Kyu-song, a 23-year-old junior at Chonnam National University, told police they were ordered last month by Chondaehyop chairman Song Kap-sok to seize the embassy.

While in detention at a police station they began shouting anti-American slogans, demanding the withdrawal of the 43,000 U.S. troops stationed in Korea.

Kim Tae-chung May End 12-Day Hunger Strike

SK1910072290 Seoul YONHAP in English 0654 GMT 19 Oct 90

[Excerpt] Seoul, Oct. 19 (YONHAP)—Opposition leader Kim Tae-chung hinted Friday that he might soon end his hunger strike, now in its 12th day, as the ruling camp seemed ready to meet his demands for breaking the parliamentary deadlock. "I will come to a conclusion soon, after discussing the matter with my party," Kim told two dissident clergymen who had called on him in hospital to appeal for an end to his hunger strike.

Bewildered at the protest by the leader of the Party for Peace and Democracy (PPD), the ruling party has appealed to Kim to stop the fast and offered to accept his party's demands. Kim was upset by the ruling party's lukewarm attitude toward his party's demands that it normalize parliamentary politics and so began the hunger strike on Oct. 8, urging full implementation of local autonomy and the cancellation of a plan to introduce a parliamentary cabinet system.

"Kim is likely to end his fast soon," the Revs. Kim Kwan-suk and Pak Hyong-kyu told reporters after meeting with Kim, who was hospitalized several days ago due to health problems.

The dissident leaders earlier met with Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party (DLP), and relayed to Kim that the ruling party leader was ready to discuss all political issues with him, apparently to persuade him to return to parliament with the 69 lawmakers of his party.

Security Agency Criticized for Recent Seizure

SK1910005990 Seoul THE KOREA TIMES in English 19 Oct 90 p 3

[Text] The Agency for National Security Planning (NSP) is under fire as it has allegedly whisked away a Seoul subway employee from his workplace without getting a warrant.

A Seoul Subway Corp. union leader failed to return home since he was forcibly taken away by NSP members from his office Tuesday, it was learned yesterday.

Workers at the No. 2 subway line Ulchi-ro 1-ga station said about 10 men, all in plainclothes, forced Kim Tong-kyun 28, into a car at about 8 p.m. Tuesday and then sped away.

The subway workers said that the men introduced themselves as officers from the National Police Headquarters when they approached Kim.

Kim, who is the union leader of the subway station, was expelled from the Yonsei University Medical College when he was a sophomore.

The workers said that Kim refused to go with the men, asking them to produce a warrant. But the men took him away by force, saying bluntly "we need to question you on campus issues at Yonsei University, not for any labor troubles," the workers said.

In the meantime, the passenger car, which the men used was learned to belong to the NSP.

Family members said that the police failed to provide them with any information on Kim as of yesterday.

* DLP Proposes 3-Stage Local Autonomy Plan

902C0307 Seoul TONG-A ILBO in Korean 8 Aug 90 p 3

[Article by reporter Yi Chong-kak]

[Text] The DLP's [Democratic Liberal Party] three-stage local autonomy implementation plan was disclosed on 8

August. The plan was prepared secretly by DLP leaders while the ruling party was continually "groping in the mid-summer" for the way out of the current political impasse.

According to a highly placed DLP source, the top DLP leaders including President No Tae-u and Kim Yong-sam, representative member of the supreme council, decided during their recent meeting at Chongnamdae to accept the opposition demand for the implementation of local autonomy, to which the opposition attaches the first priority as a means of breaking the present political stalemate, and worked out a rough outline of the DLP plan.

The outline for the implementation of local autonomy as agreed upon by the top DLP leadership calls for: 1) holding elections of large-area autonomous bodies, such as the major cities and the provinces, no later than the first half of 1991; 2) holding elections of mayors and governors of the major cities and the provinces no later than 1995 (in this case, the demand of the opposition Party for Peace and Democracy [PPD] and Democratic Party, for allowing each party to nominate its candidates will be fully accepted); 3) holding elections of the assemblies and heads of base-level autonomous bodies, such as municipalities, counties, and districts, after 1995, without allowing parties to nominate their candidates.

When the DLP special subcommittee on local autonomy legislation (chaired by Kim Yong-hwan, chairman of the DLP Policy Committee) holds its first meeting early next week, it will work out concrete measures on the basis of this outline.

The DLP leadership is confident that the plan's acceptance of the opposition demand for letting each party nominate its candidates by proposing that each party be allowed to nominate its candidates not only for the assemblies but the heads of the major cities and the provinces as well, marks a step forward.

However, while admitting that the postponing of local elections other than elections of the assemblies of the major cities and the provinces until 1995 or thereafter is a far cry from the four-party agreement reached late last year to "hold local assembly elections in 1990 and elections of heads of local autonomous bodies in 1991," the DLP leadership takes the stand that the postponement is inevitable in view of the domestic political agenda.

Despite the ruling-opposition agreement in last December to allow each party to field its candidates for local elections, the DLP has persistently opposed the nomination system for various reasons ever since the three-party merger. Among the reasons is that it is bound to aggravate regional antagonism.

Particularly due to President No's reported insistence—he is also the president of the DLP—that "a system of nominating candidates by parties should never be allowed," the general atmosphere was such that it was "hardly expected" that local autonomy would be introduced with the DLP's blessing to the proposed nomination system.

It was for this reason that the DLP has been under suspicion of trying to avoid the implementation of local autonomy itself by using its opposition to the nomination system as a pretext.

It seems that the DLP leadership has reached the conclusion that it has no choice but to accept even "partially" the opposition demand for "implementation of local autonomy with each party allowed to nominate its candidates," in order to normalize the political process which has been crippled since opposition lawmakers resigned in masse, angered by the DLP's "foul play" (ramming bills through the National Assembly) in the last extraordinary session.

The DLP has not fully accepted the opposition demand and yet shifted to a more positive attitude toward implementing local autonomy even partially by agreeing to elect the assemblies of the major cities and the provinces in the first half of 1991. This about-face is intended to "induce" "runaway" opposition lawmakers to come back to the assembly hall.

In addition, the thought that the DLP can no longer continue to dishonor its numerous promissory notes issued during the last presidential election, including the promise to introduce local autonomy, also weighed heavily in making the shift. The DLP also seems to have calculated that it may be able to dilute the points at issue for the 14th general election by filtering the failures of the government and the ruling party through local elections before the general election.

However, within the DLP there is a sizable undercurrent against local autonomy for fear that in addition to an expected aggravation of regionalism, local elections will be accompanied by the outflow of an enormous amount of election funds, equivalent to the cost of a general election, worsening the economy which is already in difficulty due to slackening exports and for other reasons.

In addition, in view of the sagging DLP popularity which is at its nadir due to the internal squabbles since the merger and the forced passage of bills in the National Assembly, one of the questions tormenting the DLP is whether it will be able to win if local elections are to take place.

Apparently, the DLP leadership has reached the conclusion in favor of implementing local autonomy even partially because according to its calculation, it will have more to gain than to lose by implementing local autonomy.

Nevertheless, it seems unlikely for the opposition to readily bite at this negotiating bait of the DLP for local autonomy. Room for the opposition to accept the DLP plan is limited because the plan gives the impression that the ruling party is hanging back from local autonomy by postponing the elections of the mayors and governors of the major cities and the provinces until "no later than 1995," despite its schedule to hold the elections of the assemblies of the major cities and the provinces in the first half of 1991. The PPD in particular has an eye on the elections of mayors and governors of the major cities and the provinces.

The opposition, including the PPD and the Democratic Party, at first demanded "the elections of local assemblies in the first half of 1990 and those of the heads of local autonomous bodies in the first half of 1991." But they have gone one step further and are now demanding that the general election and local elections be held simultaneously.

In view of this stand of the opposition, even when the ruling and opposition parties enter into full-scale negotiations on the local autonomy issue, it is almost certain that the opposition will reject the DLP's local autonomy card for the time being.

This is because PPD President Kim Tae-chung is insisting that "we cannot yield even an inch from the ruling-opposition agreement on the local autonomy issue" and because the two opposition parties are not in a position to modify their demand for holding the general election and local elections simultaneously, without offering any reason acceptable to the public.

Moreover, since negotiations on local autonomy are entwined with the issue of revising the National Security Law and the Law on the Agency for National Security Planning (NSP), it seems to be all the more difficult to draw forth a ruling-opposition agreement in these negotiations unless the DLP shows a "forward-looking stance" toward revising the security-related laws acceptable to the opposition.

It is worthy of note that the DLP leadership, including Kim Yong-sam, representative member of the supreme council, has set the internal position that "if the opposition parties should persist in refusing to accept the DLP plan, the DLP will make public its local autonomy implementation plan and then proceed to introduce local autonomy step by step in accordance with legal procedures."

The logic of the DLP leadership is that if elections of the assemblies of the major cities and the provinces are to be held in 1991, there will be elections each year until 1993, with the 14th general election slated in 1992 and a presidential election in 1993; therefore it "stands to reason" to hold mayoral and gubernatorial elections in the major cities and the provinces in 1995 or thereabout.

The DLP leadership argues that if elections were to be held twice or thrice a year as demanded by the opposition party, it would not only entail political and social confusion but also bring the economy to the brink of bankruptcy through soaring prices and inflation. The leadership also argues that inasmuch as a direct election by local inhabitants of the assemblies and heads of base-level autonomous bodies, such as municipalities, counties, and districts with a population numbering only several hundreds of thousands, is out of accord with the current realities in our country, it will be more reasonable to hold these elections in 1995.

In addition, the DLP promised to introduce a thoroughgoing system of public election management and to see to it that the central headquarters of each party exercise self-restraint to prevent overheated electioneering, but it is doubtful whether local autonomy, an issue which is entwined intricately and complexly with the drift of the political current, will be implemented according to its intention.

* Tension Between Kim Yong-sam, TK Group Bared

902C0315 Seoul IRYO SINMUN in Korean
12 Aug 90 p 2

[Article by reporter Pak Tae-hui: "Absolutely Stop Kim Yong-sam From Becoming President"]

[Text] Will the TK [Taegu-Kyongbuk] group hand over the presidential powers to Kim Yong-sam (representative member of the Democratic Liberal Party [DLP] supreme council) for the next term?

Since the crippled operation of the extraordinary session of the National Assembly in June, the feeling that it has become impossible to revise the constitution to provide for the cabinet form of government has gradually spread in officialdom and the ruling party circles. At this juncture, the attention of political circles is focused on whether or not the Taegu-Kyongbuk forces, commonly known as the TK group, which has accumulated deep-rooted vested interests in every nook and corner of our society over the past 30 years since President Pak Chong-hui, will hand over the presidential powers to Kim Yong-sam, a politician from a small southern island.

As is well known, the three-party merger was engineered as the last resort by the TK group, which lacked leading politicians popular enough to run for the presidency after President No Tae-u. The justification and scenario for the merger as conceived by the TK group were this: Revise the constitution to pave the way for the introduction of the cabinet system; bring alienated fringe elements under the four-party system, such as Kim Yong-sam and Kim Chong-pil (now a member of the DLP supreme council) into the new party; and make use of them as "proxy captain" so that the TK group may resolve the shortage of leading political figures in the post-No Tae-u period, raise TK front-runners in that process, and finally build a stable foundation once again for a prolonged monopoly of power from the next presidential term.

However, this strategy of the TK group began to show its limitations, faced by ambitious Kim Yong-sam's seasoned combination of diversionary hard-sell and soft-sell tactics. The group is now in a quandary, caught between

Scylla and Charybdis. This proves that the bragging of the RDP [Reunification Democratic Party] wing that "do you think we have spent our time as an opposition party for 30 years just for nothing?" has not been in vain.

Former cabinet minister Pak Chol-on, who was the first to come up with the idea about the three-party merger and who actually handled technical matters relating to the merger, is said to have shown at the beginning the confident attitude of "it will be a cinch to handle someone like Kim Yong-sam." This is because Pak Chol-on thought that the moment Kim Yong-sam switched to the ruling party after 30 years in the opposition camp, his political charisma would suffer such an irrecoverable blow that he would be content with a piece of the pie thrown at him. Reportedly, this view was shared not only by former State Minister Pak Chol-on but also the TK group as a whole, including President No.

But immediately following the three-party merger, Kim Yong-sam, giving full play to his foolhardiness and political sense, rendered the power scheme of the TK group powerless and, more recently, by dramatically transforming himself as the number-two man of the ruling party, deprived the TK group of any justification for drawing the sword against him. In short, to all intents and purposes, the TK group has definitely been "outwitted."

"Presidential System Offers No Hope for Victory"

If so, will the TK group swallow its pride and meekly hand over the next presidency to Kim Yong-sam, or concoct a third emergency restructuring to bring about a dramatic turn in the tide?

To answer this question, it is necessary first of all to examine the TK's view of Kim Yong-sam and the internal situation of the TK group.

First, what is the TK group's view of Kim Yong-sam? In a word, it is predominantly negative. No matter how hard Kim Yong-sam may try to wear a relaxed smile on his face like a big wheel and show President No a punctilious "courtesy befitting a subject," the TK group would take it merely as a gesture.

This sense of distrust toward Kim Yong-sam stems from the posture taken by him when during his crucial struggle with former State Minister Pak Chol-on, Kim even stirred up President No stating that he would not hesitate to commit a political double suicide. It also stems from the various aspects of Kim Yong-sam's mode of operation which surfaced as he managed the DLP as representative of its supreme council.

To cite an example, some time ago Pak Tae-chun, a DLP supreme council member, who is entrusted to control the DJP [Democratic Justice Party] wing, is said to have bitterly criticized Kim Yong-sam on a private occasion. The criticism was that Kim Yong-sam has messed up the DLP's financial order in handling its political funds. According to Pak Tae-chun's complaint, when businessmen and others make secret political contributions to the DLP, the contributions are usually addressed to the representative member of its supreme council as a matter of formality; but Kim Yong-sam keeps the donations to himself regarding them as if they were personal contributions to him.

Pak Tae-chun is said to have made an additional strong charge that Kim Yong-sam has the entire expenses of his activities defrayed from the party's operational funds. Last week Kim Yong-sam made an off-schedule visit to Cheju Island to enjoy a long vacation, and Kim Chong-pil also suddenly left for Japan, forcing Pak Tae-chun to take care of party affairs at the party office suspending his entire schedule while the two other supreme council members were gone. While chatting with reporters, Pak surprised the press when he made this barbed joke: "The horse (refers to Kim Yong-sam) is playing on Cheju Island while the man (refers to himself) is playing in Seoul." Among political circles, this joke is interpreted as an indirect exposure of Pak Tae-chun's pent up dissatisfaction.

Rejection Symptoms Among Political, Financial, Military Circles

Supreme council member Pak Tae-chun is a tycoon in the business world, and among the TK group those from the business community are said to be the most dissatisfied with Kim Yong-sam. Currently, Kim Yong-sam is known to have extensive connections with the business community in his own way. When we trace the roots of financial combines, we unexpectedly find quite a few of them come from the Kyongnam area, Kim Yong-sam's power base.

This fact is disturbing to the TK-affiliated business doyens who are at the center of the conglomerate landscape of the TK group. They have a sense of crisis, feeling that if and when Kim Yong-sam comes to power, it will certainly bring about a radical change in the present landscape of conglomerates clustering around the TK group.

In fact, when the scandal involving the recent parceling out of the site of Yongdungpo Railway Station was reported, rumors persisted that the RDP wing was involved in the scandal. In addition, various other rumors about bribery cases were circulating, causing anxieties to Kim Yong-sam and his close aides. Some political observers suspect that these rumors may have something to do with the desire of the TK group bent upon holding Kim Yong-sam in check.

Other power groups, such as the bureaucracy, the financial community, the judicial community, and the military, in addition to the business community, all entertain a not too favorable view of Kim Yong-sam. These groups, among which the TK group has an exclusionary image, feel a sense of crisis, anticipating that "when Kim Yong-sam comes to power, the present political structure will collapse through a reshuffling which will affect at least 20 to 30 percent of the incumbents."

The TK group, which has secured exclusive control in every field of society, has a predominantly skeptical view of Kim Yong-sam. The problem is that beside President No, there is no leading popular politician among the TK group who is equal to Kim Yong-sam.

The reason the TK group has been unable to produce leading politicians is that true to the attributes of the past regimes, the group intentionally avoided training successors, and that what few large-caliber politicians the TK group had have been depleted through the series of purges carried out since the inauguration of the Sixth Republic.

Particularly, in the process of building President No Tae-u's direct ruling structure following the inception of the Sixth Republic, the series of purges conducted at the initiative of former cabinet minister Pak Chol-on shoved leading politicians such as Chong Ho-yong and Kim Pok-tong out of the political world. These purges diminished the latitude of the TK group's political operation and tore asunder the unity of the TK group, forcing it to lose its political initiative.

The internal disunity of the TK group was magnified to the utmost during the last National Assembly by-election in the Taegu West-A district, when there was a maneuver to replace Chong Ho-yong by Mun Hui-kap, a rookie contender from the TK group, as DLP candidate, and President No finally stepped in to dissuade Chong from running.

The revolt of the junior against the senior in the TK group during the by-election in the Taegu West-A district subsequently destroyed the TK group's political unity and caused a wholesale disruption of the hierarchical order. In this process, former cabinet member Pak Chol-on, who had been favored as the TK candidate for the presidency after the next one, is said to have had his political standing damaged considerably. At that time, in fact, voices were raised in Taegu criticizing candidate Mun Hui-kap, who dared to challenge Chong Ho-yong, his big senior, face to face. At the same time, strong criticism was also directed at Pak Chol-on, who stood in the van in leading divisive moves within the TK group.

Reportedly, Pak Chol-on himself recalls that the most difficult time of all his adversities was the period from last summer through this summer in which he launched a campaign to oust Chong Ho-yong from the political stage. In this connection, Pak is said to have confided to his close aides that "I executed the operation to oust Chong Ho-yong from the political arena with a life-or-death determination."

One TK-affiliated assemblyman critical of Wolgesuhoe [support organization for Pak Chol-on] gave the ouster of Chong Ho-yon from the political arena by Pak Chol-on as the foremost reason Kim Yong-sam these days has a free hand in the DLP. This assemblyman lamented: "True, Chong Ho-yong is inadequate as a potential candidate for the next presidency because he belongs to the 11th graduating class of the Military Academy as President No does and was involved in the bloody suppression of the Kwangju uprising. But, if Chong had maintained his position within the DLP, Kim Yong-sam would not have as free a hand as he has now." This is to say that it is obvious that if a leading politician like Chong Ho-yong had existed, the TK group would have exhibited monolithic unity, and consequently, it would have been difficult for Kim Yong-sam to behave as anything more than the boss of the RDP wing.

At any rate, the present situation is such that due to the process mentioned above, the TK group has been shoved around by Kim Yong-sam, unable to give play to even one-tenth of its actual strength. Will the TK group sit idle and hand over all powers to Kim Yong-sam, who is dreaming of becoming the next president? TK sources say that will not happen.

Won't Hesitate To Bolt if Powers Are Handed Over

One TK official categorically asserted that under the present presidential system, "it is inconceivable to hand over the next presidency [to Kim Yong-sam]." He said that President No, above all, would not permit it to happen.

Obviously, it is the judgment of President No, who personally experienced the cold-heartedness of the process of power transfer, that if he were to hand over his absolute powers to Kim Yong-sam under the current system, he would certainly be subject to considerable persecution as anticipated from the nature of power play, although he himself would be confined in Paekdam Temple as former President Chon Tu-hwan has been. To clear up this apprehension, Kim Yong-sam is said to have repeatedly stressed to the DJP wing that "I will clearly guarantee President No's future position." But nobody is said to believe this assurance.

The same is true with other groups. One assemblymen belonging to Wolgesuhoe who asked not to be identified said: "If Kim Yong-sam should persist in seeking the next presidency under the current presidential system, the DLP will split completely. If Kim Yong-sam does not bolt, I will." He claims that not only Wolgyesuhoe but the majority of the assemblymen belonging to the DJP wing share this same view. This amounts to the position that no power transfer in excess of the division of power under a cabinet system is conceivable.

If so, what kind of measures does the TK group have in order to contain Kim Yong-sam? Will they try to make him wither away completely by resorting to all means? This possibility cannot be ruled out in the worst case.

This is because in some political quarters, there is the view that it is clear that if Kim Yong-sam remains active as the foolhardy number-two man of the ruling party for a long time, his charisma will conversely sustain irreparable damage, and when that moment arrives, it will not be too difficult to remove him.

Cabinet System, Only Way of Survival for Both

However, the majority opinion inside the TK group is that Kim Yong-sam, being a man with 30 years of political experience, will make a dramatic gesture of compromise when a certain limit is reached. According to this view, at present Kim Yong-sam acts like he is opposed outright to the cabinet system, but this is a strategic move on his part to secure a maximum share of power at the 11th-hour negotiations by raising the price of his stock to the utmost.

The majority of the TK group expect that inasmuch as Kim Yong-sam does not lack a sense of reality to the extent of believing that he would be able to grab the next presidency without outside help except from his close aides, he will come up with a dramatic compromise at a certain point when the tension between the two sides reaches its climax.

In other words, they see the prospect that in return for agreeing to a revision of the constitution for the cabinet system, Kim Yong-sam would demand that he be granted the right to nominate more than half of the DLP candidates for the 14th general election so that he can build a stable foundation for becoming the next prime minister.

They speculate that when granted such a right, Kim Yong-sam would exercise his nominating right in such a way as to nominate en masses those personages from Seoul, Kyonggi, and the central part of the country who are unhappy about the TK's leaving the rest far behind, as well as those RDP personages who would have to fight an uphill battle in the election without formal nomination, thereby paving the way for a stable exercise of his power as the holder of the supreme power in the next term. According to the judgment of the people who make this speculation, Kim Yong-sam's frequent contacts with key non-TK personages, such as Yi Chong-chan, Yi Han-tong, Yi Chun-ku, Sim Myong-po, and Pak Chun-pyong, these days are clearly part of his long-range strategic move mentioned above.

But the problem is: Supposing Kim Yong-sam presents that trump card, would President No accept it? This problem arises because if the right to nominate more than half the total number of DLP candidates were to be granted, not only a large number of members of the DJP wing would bolt but also Kim Chong-pil of the NDRP [New Democratic Republican Party] wing would in no wise sit idle.

Nevertheless, the majority of the TK group regard it impossible to introduce the cabinet system for the time being, but are of the opinion that for the long run the cabinet system is the only way for all to survive. For this reason, the prevailing view among political circles is that a revision of the constitution for the cabinet system will be pushed forth in one form or another.

The TK group is even dropping hints that in the event Kim Yong-sam should show an uncompromising attitude toward the cabinet system to the end, every possible means, such as the isolation of the RDP wing, the conduct of secret political investigations, and the blocking of sources of funds, would be mobilized as the last resort to make Kim Yong-sam wither away.

The TK group is now in dire agony because a satisfactory solution is hard to come by. Nevertheless, the power base the TK group has built throughout our society is huge and formidable beyond the imagination of the general public. It is obvious that when this formidable force is mobilized to the fullest, Kim Yong-sam will find himself in a real bind.

The consensus of the political world is that the choice of the TK group, Kim Yong-sam's reaction to it, and the fate of the DLP in the future will be decided by a showdown between these two rival groups, and Armageddon will come somewhere between late this year and early next year.

* Impact of Iraq-Kuwait Situation Analyzed

* KIET's Forecast

902C0317A Seoul HANGUK KYONGJE SINMUN in Korean 16 Aug 90 p 3

[Article by reporter Yi Hui-chu]

[Text] All attention is now focused on the "Iraq-Kuwait situation" and the changing prices of oil. The question really is, what track will the price of oil follow and how will the global and domestic economies be affected by it all?

In a report titled "International Oil Price Outlook Following the Iraq-Kuwait Situation" and "Economic Ripple Effects of the Situation," which was made public on 15 August, the Korean Institute for Economics and Technology (KIET) predicted that for the second half of this year oil prices, pegged to the Dubai crude, will rise at least 37.3 percent over the levels in the first half to reach $21 a barrel (average for the period). While not ruling out the possibility that at times the oil price may fall slightly below the current level ($22 a barrel), the report foresaw little likelihood that it would drop below $20 at any time.

The report also predicted that the average spot price of OPEC oil will rise to the level of $22 a barrel, which would be an increase of 36.6 percent over the level during the first half of the year.

In making these predictions on oil prices in the said report, the KIET postulated four different scenarios as follows:

First, in the event that the present stalemate should continue in the confrontation between the multinational forces led by the United States and the Iraqi forces (scenario No 1), the KIET's analysis is that during the second half of this year the average oil price (pegged to the Dubai crude) will be $21 a barrel ($25 toward the end of the year), about $1 lower than the present price.

This forecast is predicated on the expectations that Saudi Arabia and other oil-producing countries would increase their production to make up for the loss of Iraqi and Kuwaiti oil exports which are being embargoed, and that advanced industrialized nations would gradually release oil from their emergency reserves.

On the other hand, should Iraq invade Saudi Arabia and the crisis escalate into an all-out war (scenario No 2), the KIET's analysis predicted that the oil price would immediately skyrocket to more than $30 a barrel, and that it would remain at a level $25 or higher even after the cessation of war because of the considerable amount of time necessary to rehabilitate oil fields.

Underlying this prediction is the assumption that, even if the war should end and Kuwaiti and Iraqi oil exports are resumed, Saudi Arabia's oil production would undoubtedly be left in a state of turmoil as a result of the war.

In the event the United States and Iraq engage in limited warfare in the air or on the sea (scenario No 3), the KIET predicted that it would be possible to maintain the oil price at the level of $21 a barrel as in the case of scenario No 1.

Finally, even if Iraq should yield to the global sanctions and the crisis is resolved through negotiations (scenario No 4), the KIET predicted that the oil price would not fall below $21 a barrel.

This prediction is based on the KIET's analysis that in return for its withdrawal of invading forces from Kuwait Iraq would, as it had in the past, demand Arab nations' commitment to hold the oil price at the level of $25 a barrel, and that there is a strong possibility that Arab nations would accede to such a demand to a certain extent.

Based on these analyses the KIET concluded that for the second half of this year the oil price would stay at $20 a barrel or higher and that consequently our country, which must import 290 million barrels of oil annually—a figure based on our 1989 level of imports, will have to bear at least $500 million of additional costs just during the second half of this year alone.

A rise of such magnitude in oil prices will, pointed out the KIET, not only constitute a pressure factor on the prices of consumer goods in general but also drive upward the prices of such primary products as nonferrous metals, which at present are holding steady, portending an enormous burden ahead for a country like ours with a high degree of dependence on foreign sources for raw materials.

At the same time the KIET expressed concern that our country is likely to face export conditions even worse than the conditions encountered during the first half of this year because of a contraction of the global economy resulting from moves toward higher interest rates by individual countries trying to counter the immediate impact of soaring oil prices as well as to prevent inflation.

As recently as last July, the outlook was that the world's economy would gradually revive itself by building on to its performance during the first half of this year; however, the KIET concluded, the rise in oil prices has now made such a recovery difficult.

In this connection, the KIET retracted its earlier forecast of 3.0 percent growth for this year and 3.4 percent growth for next year of the world's economy and declared that the new situation has made it impossible to hope for a 3.0 percent growth not just for this year but for next year as well.

On top of all this, the yen that had been on the rise since April has begun to weaken once again, creating more difficulties for our country's exports.

Just prior to the Iraqi invasion of Kuwait the yen's rate against the dollar had already fallen to 145 to 1; as of 14 August the rate stood at 150.30 to 1 (at the New York exchange market), pushing the yen over the 150-to-1 mark once again. Given the fact that the yen declined by 13.2 percent during the first oil-shock period (June 1973 through December 1975) and by 29.5 percent during the second oil-shock period (November 1978 through March 1980), the current weakening trend of the yen is certain to continue in the days ahead, declared the KIET.

Of course the Korean won, too, is on the decline against the rising dollar. But, in comparison with the yen, the won's reaction to the rising dollar is slower in coming and narrower in scope. This, predicted the KIET, will inevitably exacerbate the phenomenon of the won's gaining ground against the yen.

As a matter of fact, the yen's exchange rate against the won, which stood at 100 yen to 490 won or thereabout shortly before the outbreak of the "Iraq-Kuwait situation," has fallen to as low as 477.43 won as of 14 August.

Consequently, said the KIET in its analysis, our country's exports, which appeared to be on somewhat of a recovery trend, have weakened once again in terms of price competitiveness against Japan, further clouding the outlook for our exports.

The KIET's report also pointed out that our exports to the Middle East, where right now we are having problems in obtaining crude oil, are in a state of near suspension, that uncollected payments for construction jobs undertaken in Iraq and Kuwait are choking off sources of funds for certain domestic companies, and that the uneasiness over consumer prices is bound to increase far more than it already has.

* Government's Response

902C0317B Seoul MAEIL KYONGJE SINMUN in Korean 12 Aug 90 p 3

[Article by the staff of the Economic Affairs Department, MAEIL KYONGJE SINMUN]

[Text] With the Middle East situation showing hardly any sign of resolution and with drastic changes having hit the conditions affecting both internal and external economies, the economic affairs components of our government have gone into an emergency operational mode and are holding countermeasure meetings day in, day out.

Particularly worried about the possibility that the domestic economy could suffer a severe blow in the aftermath of rising oil prices, these ministries and agencies are racking their brains trying to figure out ways to counter such a possibility.

What follows is a close look at each of these government components where a flurry of activities is taking place.

Economic Planning Board

Despite the continuing rise in the price of oil on the domestic market amid the Middle East situation that shows no signs of early resolution, the Economic Planning Board [EPB] is trying hard to calm down the sense of uneasiness among the people by assuring them that it will not raise the domestic price of oil.

Fearful of the prospect that the country's economic management plan and basic budgetary assumptions for the next year could be severely affected by the current Middle East situation, the EPB is taking the position that it will conduct a sector-by-sector review of the outlook in the next day or two to be followed by a revision of the economic management plan for the future, and that it will make public any such revision when completed.

On the question of imposing economic sanctions against Iraq and the occupied Kuwait, despite its initial expression of opposition the EPB was obliged to change its position when the Ministry of Foreign Affairs and other components of the government decided that South Korea should abide by the UN resolutions on this question. It appears that the EPB, particularly concerned about the possibility that, even if the domestic price of oil were not raised, psychological factors arising from the embargo could aggravate consumer prices in general, is paying increasing attention to monitoring the price situation.

Ministry of Energy and Resources

No sooner had the Middle East crisis been touched off by the 2 August Iraqi invasion of Kuwait than the Ministry of Energy and Resources took the extraordinary step of setting up a crisis management team. Minister Yi Hui-il even voluntarily forfeited his vacation; on 10 August he personally briefed the president on his ministry's handling of the situation in detail; he has been personally presiding over crisis countermeasure meetings every day. The Ministry of Energy and Resources decided to revive the national energy conservation campaign which has all but been forgotten about for some time and has already begun formulating specific measures in this regard.

In particular, the ministry plans to undertake a wholesale review of the existing plan for oil exploration in the continental shelf including the seventh mining zone in order to come up with a more aggressive approach to it.

In addition, the ministry has decided to speed up the work on nuclear power plants under construction so that the relative dependence on oil may be further reduced in the nation's total electric-power supply. While on the one hand the personnel of the Ministry of Energy and Resources are hoping, from the national economic standpoint, for the stabilization as early as possible of the soaring oil price touched off by the Middle East crisis, on the other hand they seem to be gaining a sense of self-esteem as a result of the growing role of their ministry.

Ministry of Trade and Industry

Focusing its administrative attention on the question of what effects will the Middle East situation have on our country's exports, the Ministry of Trade and Industry is racking its brains to forge countermeasures against such effects.

Minister Pak Pil-su is personally presiding over daily meetings where the impact of the Middle East situation on exports is being studied and the question of how the government should help ease the impact is being discussed. In addition, the ministry has set up a special task force, led by Director Hwang Tu-yon of the Commerce and Trade Bureau, which is mapping out countermeasures jointly with the Korea Trade Association, the Trade Corporation, and the Industrial Research Institute. Although concerned about a setback in exports due to the current crisis, the Ministry of Trade and Industry plans to make up for the shortfall in exports to the Middle East by exporting that much more to other areas. In the midst of all this, First Assistant Vice Minister Sin Kuk-hwan and those officials in charge of export affairs have voluntarily given up their vacations and are maintaining an emergency work schedule, toiling deep into the night every day.

For a starter, the ministry is studying a plan designed to do two things in the event that the Middle East crisis should become a protracted affair: One is to make it possible for those enterprises having liquidity problems due to the suspension of transactions by certain banks to use their products as collateral to obtain a special loan from their principal bank; the other is to exempt such enterprises from the penalties normally imposed on delinquent loan payments if the delinquency is caused by the delay in collecting the payments for their exports.

The ministry has also decided to go forward with industrial policy reforms, instituting such measures as granting incentives to those industries that are low in energy consumption.

Ministry of National Construction

The Ministry of National Construction appears to be busy trying to ascertain what long- and short-term effects the current crisis will have on Middle East construction markets. The immediate problem is in Kuwait where all construction activities have come to a halt; Hyundai Construction Company, which has been engaged in five projects there, had its workers take shelter where they are and is monitoring the situation carefully as it develops.

But in Iraq, unlike in Kuwait, construction projects are still continuing and working conditions for the workers are still safe; therefore, as things stand now, there is less of a concern about the situation within Iraq.

The Ministry of National Construction is analyzing the developing situation in constant consultation with construction firms operating in the crisis-affected areas; at the same time, the ministry has formed a special taskforce group jointly with other components of the government, and this group is now discussing what countermeasures need to be taken by the government.

Assuming the contingency of having to evacuate from the crisis area, the ministry is now making an exhaustive study not only of the question of how to ensure the physical safety of the workers but also of the question of how to collect the payments due for the work already performed.

Ministry of Finance

Mindful of the possibility that Kuwait may be annexed permanently by Iraq, the Ministry of Finance is taking pains to figure out what to do with the assets Kuwait holds in South Korea.

On this question, a source within the ministry said, "As yet no concrete plans have been drawn up because it is still difficult to predict how the Middle East situation will pan out." By way of clarification, he only added: "Should the question of the title to these assets arise, we intend to handle it in accordance with the international norms and the procedures under international law."

The Ministry of Finance is making a special effort to analyze the impact of the Middle East crisis on our domestic financial and exchange markets and is in the process of formulating long- and short-term measures to counter such impact.

Meanwhile, even though the crisis is having an adverse effect on our securities market, the ministry has decided against taking any special market-propping measur based on its assumption that such ripple effects on the securities market would be minimized as soon as the crisis is brought under control.

Ministry of Transportation and Shipping, Ports and Harbors Agency

The Ministry of Transportation and the Shipping, Ports, and Harbors Agency are busy trying to work out plans for the evacuation of our citizens from the crisis area and for ensuring the safety of our passenger airliners and ships operating in the Middle East region.

The ministry has instructed the Korean Airlines to have large passenger planes stand by so that Korean residents of the crisis area can be transported out as soon as a decision to evacuate them is reached. The plan is to dispatch no fewer than three B747 passenger planes, each with seating capacity of 350, to transport Korean nationals, estimated to number some 1,100, who are currently in the crisis area—Iraq and Kuwait.

The ministry has also instructed the Korean Airlines to suspend, at the first sign of escalation in the Middle East conflict, its weekly passenger flights to Tripoli via Bahrain and Jeddah and B747 cargo flights from Frankfurt to Seoul via Bahrain and Bangkok.

The Shipping, Ports, and Harbors Agency has instructed the South Korean maritime affairs officials stationed in the United States to cooperate with the U.S. Navy to ensure the safety of Korean ships. The agency is also studying the ways to deal with the situation in the event the Persian Gulf sea-lane is blocked.

* Yi Sung-yun Team's Economic Policy Criticized

* Principle, Direction Needed

902C03111A Seoul HANGYORE SINMUN in Korean 4 Aug 90 p 1

[Article by reporter Yi Kyong: "Yi Sung-yun Economic Team Has Neither Principle nor Direction"]

[Text] Editor's note: Contrary to the professed emphasis on price stability as the linchpin of its economic policy, the government has come out with a growth-oriented budget, stirring controversy. Voices expressing distrust in government policies are rising because this move presages a sharp shift in the government' economic policy. We will examine the controversial points in the government's economic policy in three installments. [end editor's note]

At a high-level government-party consultative meeting on 1 May, Yi Sung-yun, deputy prime minister and concurrently minister of the Economic Planning Board, defined the economic condition as an "overall difficulty." The meeting was held at a time when the labor disputes involving the Hyundai group and the Korean Broadcasting Corporation were at their height. By these words he meant to stress that in every aspect, not only in the economic sector but political, social, and all other sectors, our entire society was in a widespread crisis.

However, a month had hardly .passed when Deputy Prime Minister Yi suddenly reversed himself and set out to deny what he had described as an overall crisis. He made this denial shortly after President No stated that "the current situation is not an overall crisis." Addressing the 22 May consultative meeting by the enrollees in the top-level management course at Seoul National University, the deputy minister slyly changed his tone, saying: "Some people characterize the current situation as a crisis or exigency, but things are not that serious. When you say the economy is in a crisis, it refers to a situation accompanied by mass unemployment, massive dishonored checks, and widespread business bankruptcies." In reality, the wheels of the economy kept on turning somehow, with the growth rate moving up and down in the neighborhood of 10 percent.

This episode is a minor example illustrating the way Deputy Prime Minister Yi diagnoses present conditions.

These days there is the strong criticism that the government economic policy is drifting without consistency, lacking principle and direction.

People admit that the Pak Chong-hui regime, although it is evaluated negatively because of the system of oppression it created, pursued a policy of growth with consistency; and that the Chon Tu-hwan regime, too, consistently implemented a growth-oriented policy, giving the public a distinct impression as far as its economic management was concerned.

In the early days of the Sixth Republic, the economic team of Cho Sun, Yi Sung-yun's predecessor, also underwent repeated trial-and-error processes; nevertheless it endeavored to build a framework of partial reform in the context of growth.

On the other hand, the Yi Sung-yun team, which appeared on the stage giving priority to growth, such as bolstering enterprises, as the basis of its economic policy, is being criticized for being confused, and relatively speaking, lacking principle and consistency.

The Yi Sung-yun team was pursuing ambitious reflationary measures through the 4 April economic revitalization package. But less than 100 days passed when the team, caught by soaring prices, switched to a policy of stability. Observers said this shift was an appropriate step. But a month has hardly passed when Deputy Prime Minister Yi came out to suddenly advocate an expansion fiscal policy to the bewilderment of the public. This diametrically runs counter to his previous statement that the main emphasis in the economic management would be placed on price stability.

In a nutshell, in a little over 4 months, he alternated from "growth to price stability to retreat from price stability."

As a consequence, business firms, which are in a "cozy" relationship with the economic team, are pouring forth the complaint that they cannot work out business strategies consistent with the government policy. Ku Sok-mo, deputy director of the Korean Economic Research Institute under the Federation of Korean Industries (FKI), said: The government should not give the impression that its policy is vacillating. The government should confidently push forward its professed basic policy line, even if there are some difficulties." In fact, despite these rapid turns, some people do not think that the government policy itself has shifted radically. Professor Kim Tae-dong of Songgyungwan University stressed: "The present economic team said it will place emphasis on price stability. But from the beginning, it was not much concerned about prices. Rather, it should be our view that the team has consistently pursued a growth-oriented policy centering on big corporations."

At the outset of its inception, the Yi Sung-yun economic team asserted that the impending introduction of the system requiring the use of real names in financial transactions was the "principal cause" of the slack in the economy and in the security market, declaring that the introduction of that system would be withheld completely. The real-name financial transaction system was included in President No's election pledges, and in his 1990 New Year's press conference, the president reaffirmed his pledge to introduce that system. Prime Minister Kang Yong-hun also stressed the need for introducing this system not only at the National Assembly and but also to the general public while making the rounds of the country. But the Yi Sung-yun economic team overturned the pledge overnight.

What has been the outcome of the withholding of the introduction of the real-name financial transaction system, which the public had regarded as a move which would bring the economy one step closer to equity? Maybe, the economy has been revitalized somewhat. But the security market is still unable to pull out of the doldrums. When all is said and done, to our regret, the projection of the deputy prime minister so far has been off the mark.

The present economic team has pledged to stamp out ruinous real estate speculation. To this end, subsequent to the introduction of mandatory registration of real estate transactions, it presented the 8 May special follow-up measures to curb real estate speculation. As a result, real estate speculation, in fact, has subsided somewhat.

Nevertheless, on the other hand, the strong suspicion has arisen that the government's determination to curb real estate speculation may be becoming fuzzy. This is because the promise, although made by the DLP [Democratic Liberal Party], to enact an "extraordinary law on regulating real estate speculation" for the purpose of curbing speculation in real estate, has been put back on the drawing board. In addition, the government, to all intents and purposes, suspended the "bill on controlling credit offered by banking facilities in relation to real estate transactions," a bill which it had prepared and even made public for the express purpose of preventing real estate speculation by big corporations as a substitute for the extraordinary law bill mentioned above. On top of all this, despite the promise to force conglomerates to sell their real estate not being used for their germane business purposes, much of their real estate is expected to be exempted, raising public suspicion.

Moreover, the government promised not to readjust purchase prices of apartments for one year, but it raised them six months later.

Under these circumstances, it is quite natural that voices expressing distrust in government policies are rising.

It is urgent that the government set the kind of principle and direction for its policies that the public can trust and follow, and push it forward stalwartly once a policy is adopted.

* Ministries, Agencies in Disarray

902C0311B Seoul HANGYORE SINMUN in Korean 5 Aug 90 p 4

[Article by reporter Chong Yong-mu: "Economic Ministries and Agencies Are Too Much in Disarray"]

[Text] On 26 July the Ministry of Trade and Industry announced the "policy direction for achieving growth led by the manufacturing sector." Vice Minister Chin Yom and other high-ranking officials of the Finance Ministry were surprised to lean of the package which included financial and tax measures which came under the jurisdiction of their ministry, for the first time from the television newscast on that evening. Thereupon, they asked the Ministry of Trade and Commerce about the matter.

On the following day the Finance Ministry held an emergency meeting presided over by Minister Chong Yong-ui, who had just returned from his official trip. The atmosphere of the meeting was, in the words of one of the participants, dominated by a "strong sense of displeasure and the opinion that the package is not worthy of scrutiny." He said that the meeting discussed the package on the basis of newspaper reports without a copy of the formal document.

On the other hand, the Ministry of Trade and Commerce explained that it had held no prior consultations with the Finance Ministry, but handed over related materials to the working-level bureau chiefs of the Finance Ministry. But, these materials were left in drawers untouched.

Recently, Deputy Prime Minister Yi Sung-yun announced measures designed to ease controls over credit to conglomerates and permit banks to advance loans to small and medium enterprises in the names of third parties. But the Finance Ministry said that it "did not have the slightest knowledge" of these measures, categorically ruling out their feasibility of implementation.

Thus "we have learned of it from newspaper reports," or "that is not feasible" is settling as a typical response among economic bureaucrats with respect to the policy directions of one ministry or agency which has a direct bearing on other ministries or agencies. It is the common view of economic bureaucrats that shortly after its inception, the Yi Sung-yun economic team went out of its way to stress the importance of team work, but the walls dividing ministries and agencies from one another have, on the contrary, thickened.

There are many more examples showing the disarray among the economic ministries and agencies clustered in Kwachon. The Finance Ministry announced that various funds would be invested under the responsibility of each agency concerned, but this announcement is becoming empty talk because the Economic Planning Board does not budge to back it up. The Ministry of Energy and Resources is eagerly seeking an oil price buffer fund, but this effort is getting nowhere because the Economic Planning Board and the Finance Ministry, the borrowers of the money, make no response. Bureaucrats are busy passing the buck to each other for soaring prices, blaming the wrong management of aggregate demand, or the volume of currency in circulation, or farm and fishery products as the principal culprit, depending on which ministry or agency they belong to. The Economic Planning Board is trying to cool the overheated construction boom, but the Ministry of National Construction counters with the claim that the construction of 2 million housing units is the first priority task. Last month high-ranking officials of the Ministry of Agriculture and Fisheries visited the press room of the Economic Planning Board, where they staged a skit in which they appealed to reporters for their sympathy by complaining that "the Economic Planning Board is unduly pinpointing us as the principal culprit for soaring prices."

One bureaucrat has sarcastically characterized the Yi Sung-yun economic team with these words, "there is nothing it can accomplish (as far as its announced measures are concerned), and nothing that it cannot accomplish." Needless to say, we cannot brush aside differences of opinion among various ministries and agencies as something bad. There can be a lot of room for differences over the direction in the process of discussing specific policies. Depending on how you view it, the seesaw game played each year between the Economic Planning Board and the Ministry of Agriculture and Fisheries over the purchase prices of fall grain may be inevitable.

However, an analysis of the differences which recently came to the fore shows that the seriousness of the matter lies in the fact that as things stand now, these differences are not only hardly soluble but also unproductive. Because of these differences, enterprises and the general public do not know which way to turn when they draw up their plans, and the government is greatly losing public trust in it. The accompanying adverse effects fall on none but enterprises and the public.

Working-level officials frankly said that as long as there is no clear-cut basic drift of policy as is the case now, and as long as the Blue House remains the center for policy making, this kind of confusion is bound to continue.

For instance, the controversy over the construction boom can be settled only when a choice is made of as to what constitutes the foremost priority policy task. It is also pointed out that one of the major causes of the current confusion is that the present deputy prime minister, unlike his predecessor, Cho Sun, has lost his adjustment ability, with the Blue House taking over the function of making major policy decisions.

The withholding of the 8 May real estate package, the bill on income tax deductions on wages, and the bill on credit control was the work of the presidential secretariat in the Blue House, which has dealt a "clean blow" to the ministers in charge. The ministries and agencies are bound to grumble because they have to deal with its aftermath. One of the Finance Ministry officials who worked all night long for several days on end to draft the credit control bill, seeing the bill withheld by the Blue House in one morning, expressed his frustration with these words: "I can hardly stay on this job." Because of this "power game," each economic ministry or agency tries to do something odd to draw the attention of the Blue House rather than working together with other ministries and agencies by putting their heads together, or feels that it is to its best advantage to stay away from trouble.

As a matter of fact, the bulk of policy measures announced by each ministry or agency are nothing more than its "wish list" and each ministry tries to avoid touching the sore spots, such as the issues of soaring prices and real estate speculation. The Finance Ministry, which has jurisdiction over the real name financial transaction bill, never said a word when the bill was shelved; and with regard to the task to work out the criteria for exemption from the mandatory sale of real estate owned for non-business purposes by big corporations, which remains an outstanding issue, the Finance Ministry, the Office of Bank Supervision and Inspection, and the Office of National Tax Administration are trying to read each other's mind while keeping mum in fear of public opinion.

In addition, as to the question of appointing political ministers from among National Assembly members, the giant ruling party is out of accord reflecting its complicated internal situation.

In view of this atmosphere, Deputy Minister Yi Sung-yun recently proposed holding a weekly consultative meeting of economic ministers. If the economic ministers should fail to set basic policy goals and the basic direction for solving outstanding issues by transcending their bureaucratic interests and push these goals forward with conviction, then these weekly meetings would end up a mere formality.

* Economic Justice Receding

902C0311C Seoul HANGYORE SINMUN in Korean 7 Aug 90 p 4

[Article by reporter Yi Kyong: "Economic Justice Is Steadily Eroding"]

[Text] Toward the end of March, officials of the Ministry of Trade and Industry held secret talks for days with leaders of the Federation of Korean Industries, the Korea Chamber of Commerce and Industry, and Korea Employers' Federation in connection with preparing a revision of the labor laws. The talks came shortly after the economic community had presented the ruling party with a strong demand for revision of the laws, complaining that "under the present labor laws, it is impossible to engage in business activities without apprehension, so the government should modify adverse provisions." As a result of these talks, the ministry prepared a document entitled "An Examination of the Labor-related Laws" calling for an addition or modification of 24 provisions in the current three labor-related laws. The main features of these provisions are: extension of the statutory working hours from 44 to 46 hours; elimination of the monthly leave system; tightening of qualifications for union executives; creation of a provision regulating wrongful labor practices; clear establishment of the "no work, no pay" principle; and increasing the minimum consent requirement for calling a strike to three-fourths of the employees. The labor-related laws, which were revised last year reflecting the demand for democratization voiced in various circles but were subsequently vetoed by the president, were now to be "revised for the worse" just one year after the veto.

The revision work dissipated halfway in the face of a strong opposition on the part of labor when the substance of the proposed revision came to light.

As indicated by this episode, since the three-party merger, particularly following the inception of the Yi Sung-yun economic team, reform policies which were pursued, though on a limited scale, have gradually receded, with symptoms of this retreat manifested everywhere. Many people agree to the view that "the realization of justice through reform," a task our society needs to accomplish, is being putting on the back burner, taken away from the priority list of our policies. This is to say that the center of gravity in economic policy is shifting to the rich and big corporations.

Certainly, a typical example is the wholesale withholding of the system requiring the use of real names in financial transactions. The government declared on every occasion that it would implement this system without fail because it was the president's public pledge. But the Yi Sung-yun economic team took it back to the drawing board for the arbitrary reason that "the public will have more to gain from its withholding than from its implementation," and that in spite of the fact that more than 80 percent of the public supported the implementation of this system (according to a survey conducted by the National Economic System Research Institute)... In spite of the government's one-sided logic and explanation, the withholding of the system of using real names in financial transactions was an act intended to protect the owners of big enterprises and those engaged in shady monetary transactions, and as such it cannot but be a far cry from the realization of justice in distribution and the search for equity.

Let us examine the way wealth is actually distributed in our country. According to an annual report on the urban home economy prepared by the Economic Planning Board, the share in the total income by the bottom 20 percent of urban workers increased by 0.3 percent from 7.8 percent in 1980 to 8.1 percent in 1989, and in the same period the share of the top 20 percent of urban workers increased by 0.2 percent from 39.4 percent to 39.6 percent. Therefore, it is no exaggeration to say that there was no improvement in distribution in the past nine years. A survey by Korea Development Institute shows that as of 1988, the amount of real assets, such as houses, land, and automobiles, and financial assets, such as stocks, securities, and savings, owned by the top 10 percent in the social strata was 240 million won, or 120 times as much as the total assets owned by the bottom 10 percent. In addition, the number of people in a state of absolute poverty was 3.3 million, or 7.7 percent of the total population. The system of taxation and the structure of inequitable wealth distribution system can be improved slightly, even under these circumstances. But the tax revision bill announced recently by the government falls far short of this expectation. There are some points marking improvement, such as granting some exemption from the earned income tax and raising the gift and inheritance taxes. But there are no noticeable modifications of indirect taxes, such as the value added tax and the special consumption tax, the burden of which falls reversely on low income earners in an increasing degree. What is more, the promise made during the first-stage revision of the tax system in 1988 to introduce an overall tax on financial incomes and an estimated tax on hidden unearned incomes ended in empty talk.

The same is true with our fiscal policy. Compared with other countries, our government spends too small a proportion of its expenditure on welfare, and this proportion will get smaller still beginning next year. Commenting on this state of affairs, Yi Chong-sik, a research member of the Federation of Korea Trade Unions (FKTU) said: "The present economic team, captivated by the big business-oriented growth policy, has abandoned its reform policy. It is not concerned about anything like the hardships of the public in life."

On the other hand, quite a large number of experts are of the opinion that the current economic team's policy of support for big corporations is ever strengthening. Through the "4 April economic revitalization package," the Yi Sung-yun economic team offered benefits to big corporations in the form of eased credit controls, lowered interest rates, and the withheld requirements for making voluntary efforts to tide over difficulties caused by the mandatory sale of land owned for non-business purposes. Subsequently, it lowered the interest rates on funds provided by Category 2 fiduciary organizations with a view to easing the fund shortage in corporations, and announced a plan to extend the relaxation of credit controls. Refuting the claim that these measures offer ever increasing benefits to big corporations, FKI Managing Director Cho Kyu-ha said: "These are appropriate measures to promote capital investment in the manufacturing sector and increase exports. What is more, big corporations are not the sole beneficiaries." Needless to say, the package includes special benefits to small and medium businesses. But President Yi Hyon-pae of Sedong Enterprise, a medium-scale business firm, refuted this claim by saying: "In reality, the funds earmarked for small and medium enterprises are not provided properly due to the complex red tape and the lack of sincerity on the part of the banking organizations."

The ambitious housing policy pursued by the present administration is also criticized on the ground that it irritates the minds of people who do not own homes. For instance, while raising the selling prices of apartments last year, the government promised not to raise them again within a year. Yet, under the pressure of contractors, the government raised the prices in May, in just six months. As of July, prices rose 7.8 percent over the level at the beginning of the year, whereas the wages of workers increased only by 8.7 percent. In fact, the real wages are frozen to all intents and purpose. Given the skyrocketing real estate prices, homes are beyond reach of the ordinary people, who are having a hard time managing to pay their jacked up rents and, in some cases, end their own lives.

Affluence and poverty exist side by side in this republic dominated by big corporations. Yet, we wonder how long the government, particularly the Yi Sung-yun economic team, will leave this state of affairs uncorrected. There are practically no visible signs of improvement.

* Policy Change Urged

902C0311D Seoul HANGYORE SINMUN in Korean 8 Aug 90 p 4

[Article by Professor Yi Chin-sun of Sungsil University: "Introduction of the System Requiring the Use of Real Names in Financial Transactions and the Idea of Land for Commonweal Cannot Be Delayed Any Further"]

[Text] The economic policy of the Yi Sung-yun economic team lacks consistency, swinging between retrenchment and expansionary measures. But we may say that the policy has a clear-cut consistency as far as its philosophy is concerned. That is to say that it has backwardness and conservatism as its foundation. No sooner had the Yi Sung-yun economic team been inaugurated than it postponed indefinitely the introduction of the system requiring the use of real names in financial transactions, one of the presidential pledges, without any persuasive explanation. This system is an essential requirement for recovering equity in the tax burden, a long-standing issue.

Deputy Prime Minister Yi Sung-yun found in a Japanese precedent a plausible justification for suddenly withholding the introduction of the use-of-real-name system at the last moment when almost all the social cost of introducing the system had already been paid out. However, despite many similarities between our country and Japan, we should note that as far as the necessity of using real names in financial transactions is concerned, the two countries are polls apart. In the postwar period, Japan disbanded the zaibatsu in search of collectivist egalitarian capitalism. As a result, the private sector itself succeeded in finding a justification for gaining wealth. The ratio of the income of the top 20 percent to that of the bottom 20 percent in the income ladder shrank from 5.8 : 1 in 1950 to 2.9 : 1 in 1985, indicating the distribution of the income has nearly equalized.

On the contrary, a small number of people struck it rich in the high-growth process over the past 30 years. Most of the big money interests in our country are owned by individuals or families and are intrinsically different from their Japanese counterparts, whose stocks are widely distributed. The public believes that financial combines owe their rapid accumulation of wealth largely to special privileges, such as financial and tax benefits, accorded by the government. The private sector itself has failed to find a justification for the uneven distribution of wealth, because of the extravagant consumption habits of the "haves." Accordingly, the income redistribution function of the taxation is far more important in our country than in Japan.

In the actual operation of the tax systems, the two countries are also wide apart. In 1985, the income tax systems of the two countries were very similar, but the proportion of the income tax to the GNP was 7 percent in Japan against 1.9 percent in our country. Our financial organizations openly permit or encourage the use of the names of other people in financial transactions, whereas in Japan this kind of practice is hard to find. In Japan, tax authorities detect more than 60 percent of inheritance assets, but in Korea the percentage is less than 10 percent. It is the consensus of Japanese financial experts that in Japan, real names are actually used in financial transactions.

Unless the system requiring the use of real names in financial transactions is implemented, there is no way to correct the crippled operation of our tax system. Not until the "haves" begin to pay the taxes proportionate to their incomes on a normal basis will it be possible to eliminate the public distrust in economic policy and wealth. It is not too late yet. The government cannot persuade the public by the stop-gap "second-stage tax reform" which the Finance Ministry has presented with the withholding of the use of real names in financial transactions as its precondition. The eradication of real estate speculation, a precondition for introducing the system requiring the use of real names, is the foremost duty of the present economic team.

But the Yi Sung-yun economic team is still pursuing the land policies of the Yusin era and the Fifth Republic. On the surface, it pretends to be trying to catch real estate speculators, but at heart, it is fanning real estate speculation.

The real estate speculation fever, which subsided during the second half of 1989, swept the whole country again early this year, laying bare the hollowness of the system based on the idea of land for commonweal, which the government had enacted touting it as a measure to root out land speculation once and for all. By adopting the 4 April package the Yi Sung-yun economic team fanned the speculation fever by these means: it lifted controls over the green belts surrounding major cities, which were the major target of speculators, for reasons of boosting the entrepreneurial spirit; exempted firms from the obligation to make self-help efforts when they purchase land for use as a factory site; and provided an additional financial assistance amounting to 2 trillion won to conglomerates suffering from a fund shortage caused by excessive investments in speculation.

In an effort to mollify the grumbling of the public, the team announced the 13 April measures aimed at curbing land speculation at its transaction stage. But ever since 1982, the expansion of the land transaction notification system and the land transaction permit system, as well as the introduction of forest land sale certification system and the mandatory forest land sale registration system, have been invoked each time there was an eruption of land speculation fever. But these measures cannot stamp out land speculation because they have no effect on land supply and demand. The 8 May measures, a replica of the 27 September 1980 measures, with forcible sale of land owned by conglomerates for use other than business purposes as its backbone, are equally ineffectual. These measures are not of the nature of an institutional reform designed to stamp out real estate speculation, being nothing more than administrative punitive measures whose effects are bound to be ephemeral.

As soon as the land speculation fever subsided, there appeared clear signs that the implementation of the "8 May financial measures" is receding, including the requirement to make self-help efforts to tide over the financial difficulties incident to the mandatory sale of land owned for non-business purposes. However, speculation has not been stamped out. If an expansionary budget is compiled for the next fiscal year and large-scale investments are made in public development projects as advocated recently by Deputy Minister Yi Sung-yun, there is the great danger of another wave of land speculation fever erupting by this fall with a motive to share the development profits. Before expanding public investments in development projects beginning next year, the National Assembly should first readjust the land tax system at its regular session in the current year in order to siphon off part of the development profits. The measure to increase the tax on real estate transfers as presented by the Finance Ministry as part of the "second-stage revamping of the tax system" is directed at the "small fry" speculators.

The distinction between land for business use and land for non-business use complicates our land tax system and the system of providing this distinction is a cancerous system which has emasculated the function of curbing land speculation. The distinction between land for business use and land for non-business use should be abolished as in other countries. Progressive tax rates should be applied to all plots of land owned by corporations by including them in computing the amount of their overall land tax. In addition, a land profit surtax, a form of capital gains tax, and the special corporate surtax would be levied also on land owned for non-business purposes.

Our financial combines are at once the creators of national wealth and parasitical land speculators. The Yi Sung-yun economic team should begin by cultivating an ability to distinguish between these two faces. Only when a tax reform is achieved to forestall land speculation by financial combines as a matter of principle will it be possible for them to be serious about productive activities, their primary function, and for the public to free themselves from the "hellish land shortage" and the "hellish housing shortage."

* Team Reshuffle Foreseen

902C0311E Seoul IRYO SINMUN in Korean
5 Aug 90 p 5

[Article by reporter Chong Son-sop: "Speculation on Impending Reshuffle of the Yi Sung-yun Economic Team Is Fanned by the Lack of Policy and Internal Feud"]

[Text] The Yi Sung-yun economic team is caught in the rumor that this team may be replaced soon, only four months after it was inaugurated on 17 March.

Recently, at the exchanges and in some corner of the economic community, cautious rumors have been circulating that the Yi Sung-yun economic team, which to all intents and purposes, has been disoriented in its economic policy since its inception, will be disbanded and that there will be a cabinet reshuffle to replace the entire team of economic ministers.

Especially some people in political circles are reportedly stressing the need to replace all the economic ministers holding them responsible for the sluggish economy and the plummeting of stock prices in the exchange market.

In this connection, there is a rumor circulating in the economic community that some of the economic ministers will have to step down anyway because an investigation by the presidential watchdog team has uncovered a corruption case involving him, and that a plan is currently under study to replace all the economic ministers making up the economic team on this occasion.

Far Short of Expectation

Concerning these rumors, a high-ranking government source said that "the rumors about the impending replacement of the economic ministers are totally unfounded." He strongly denied the rumors, declaring that "a reshuffle of the economic team only four months after its inception would raise the question of trust in government policies."

It is worthwhile to note that the fact that the recent sudden resurgence in the economic community of the "rumors about an impending reshuffle of the economic team" despite this denial has something to do with what has been going on behind the scenes since the cabinet reshuffle of 17 March.

The theme the Yi Sung-yun economic team advocated at its inception was a "growth-oriented policy." In other words, the essence of this policy is to achieve economic growth led by exports and enliven the investment propensity of enterprises.

Under the judgment that the revitalization of exports is urgently needed, Pak Pil-su, a growth proponent, was named as minister of trade and commerce to command the forefront of export efforts.

However, the opinion of the economic community seems to be that this expectation has never been fulfilled since the inception of the economic team. It is the opinion of outsiders that the economic team has never set clear-cut policy goals.

The opinion is emerging that the invisible struggle for policy initiatives among Deputy Prime Minister Yi Sung-yun; Kim Chong-in, presidential senior secretary for economic affairs; and Finance Minister Chong Yong-ui is one of the reasons the Yi Sung-yun economic team has proven ineffective, unable to find its right place.

From the beginning, Deputy Prime Minister Yi, Presidential Secretary Kim, and Finance Minister Chong were so concerned about how not to repeat the loss of orientation in economic policies suffered by the Cho Sun economic team, their predecessor, that the trio emphasized teamwork as its first priority. In the early days following the cabinet reshuffle, President No Tae-u also stressed the need for coordination among various ministers.

Dissent Over Policy

But when controversy arose over the direction for the 13 April economic package which was announced one month after the inception of the economic team, the teamwork began to crack, making a cracking noise heard outside. The essence of the package was that the government outlined its official position on the reflationary measures to enliven the investment propensity of enterprises and boost the security market. The 13 April package was prepared at the initiative of Deputy Prime Minister Yi Sung-yun, Finance Minister Chong Yong-ui, Trade and Industry Minister Pak Pil-su, and Construction Minister Kwon Yong-kak.

This package was taken as the 11th hour step designed to pull the economic community out of the sense of crisis pervasive in it since early this year. But Kim Chong-in, presidential senior secretary for economic affairs, was unhappy about this interpretation. His idea was that a new policy was needed to pull out of the economic crisis, and policy should be oriented toward curbing economic irregularities, such as real estate speculation. The Yi Sung-yun economic team's reflationary economic policy collided head-on with Kim Chong-in's policy for removal of non-economic anomalies over the question of which should be implemented first.

At that time there was speculation in economic circles that the presidential secretary's position, similar to the logic of the Cho Sun economic team, did not indicate that he had abandoned the growth doctrine. Anyhow the logic of Deputy Prime Minister Yi Sung-yun completely collapsed with the announcement of the 30 April special measure, which came within 20 days or so of the 13 April package.

The purpose of the 30 April special measure, announced in the form of President No Tae-u's statement, was to manage the economic crisis by resolutely removing non-economic anomalies such as real estate speculation. The substance of President No's statement was identical with the position of Kim Chong-in, his senior secretary for economic affairs.

This gave the impression that from then on Kim Chong-in would be the man who has the initiative in economic policy making. The financial world was busy watching the moves of the Blue House, for it must have been aware of the waxing influence of Senior Secretary Kim.

Interagency Friction

In addition, the 8 May real estate measure was a revolutionary policy fully reflecting Kim Chong-in's economic doctrine. It overturned outright the growth doctrine advocated by Deputy Prime Minister Yi Sung-yun.

Of course, the basis of the 8 May measure is the determination of President No. But the measure was administered and pushed forward by Senior Secretary Kim, giving in fact the impression that the nation's economic policy was implemented under his influence.

As a result, the situation has so developed that the Economic Planning Board, the Finance Ministry, and other ministries concerned were busy trying to see how the wind blew at the Blue House.

When the "special real estate measures watchdog team" led by Senior Secretary KIm was organized in the Blue House, the Economic Planning Board followed up by hurriedly organizing a working-level real estate measures committee headed by Vice Minister Yi Chin-sol. Meanwhile, Deputy Prime Minister Yi gave the impression that he was trying hard to avoid friction with Kim Chong-in when he said that "there can be no growth without stability," as if he had abandoned his pet growth doctrine.

With the announcement of the 8 May measure, the pent up animosity between Presidential Senior Secretary Kim and the economic ministries began to erupt. Despite their self-restraint, after the 8 May measure was announced, Deputy Minister Yi Sung-yun and Finance Minister Chong Yong-ui expressed the fears that "the desire of enterprises to invest may be dampened," thus indirectly indicating that their view was somewhat different from Kim's argument.

One of the phenomena which appeared after the announcement of the 8 May measure was the change that took place in the attitude of the economic community. When the 17 March cabinet reshuffle took place, the economic community was busy mapping out various strategies to have a cozy relationship with the Yi Sung-yun economic team.

But after the announcement of the 8 May measure, the economic community set out to establish a line of communication with Presidential Senior Secretary Kim, culminating in the establishment of a direct link with the Blue House. When the 10 May real estate measure requiring financial combines to sell their real estate kept for non-business purposes, representatives of the economic community visited the Blue House. This is one example graphically illustrating the change in the attitude of the economic community.

In addition, the position of the National Tax Administration under the jurisdiction of the Finance Ministry has also begun to be obscure. With the inception of the special watchdog team in the Blue House, the operations of the National Tax Administration came under the supervision of the Blue House, reducing the National Tax Administration to the status of a "dummy."

As a matter of fact, economic policies emanate from the Blue House, with the economic ministries taking care of the after-effects of polices set by the Blue House.

The Economic Planning Board was fuzzy about its position on the various economic measures announced since the 8 May measure. Originally, the board held a strong position against real estate owned by financial combines in the names of third parties. But toward the end of June, it began to give signs that it was softening its position considerably.

It is understood that this about-face was brought about by the fact that the common view shared by the Economic Planning Board and the Finance Ministry that controls on real estate should be eased in order to enliven the enterprising mind, proved effective.

This reportedly made Presidential Senior Secretary Kim Chong-in air his utmost displeasure toward Deputy Prime Minister Yi Sung-yun and other economic ministers.

Suspected Real Estate Deal

Amid this entanglement, the Economic Planning Board and the Finance Ministry, which pursued the same line in the past, recently come into conflict with each other over the currency issue, causing pangs within these two branches of the administration. Particularly, Deputy Minister Yi's statement on expanding public investment in connection with the expansionary budget, has stirred a considerable controversy not only in various ministries but also in the economic team.

In this connection, the Economic Planning Board and Korea Institute for Economics and Technology (under the jurisdiction of the Economic Planning Board) on one side and the Finance Ministry and the Bank of Korea on the other are acutely divided, as if they were engaged in a proxy war.

In this connection, a government source said that "the alleged secret investigation of economic ministers by the special presidential watchdog team is nothing more than an utterly groundless rumor." The rumors about this investigation nevertheless persist.

Particularly, rumors are rife in the security market that one of the economic ministers is undergoing a secret investigation on suspicion of engaging in a real east speculation. Even the size and location of the real estate owned by the subject of these rumors are known, causing a sensation in the economic world.

There is also a rumor that another economic minister is undergoing a secret investigation of the presidential watchdog team, give rising to all kinds of speculation.

Apart from the veracity of the rumors about an impending cabinet reshuffle, concerned officials are keenly interested in knowing why such rumors were begotten in the first place.

Burma

Saw Maung Adrresses Senior Monks 18 Oct

BK1810164290 Rangoon Domestic Service in Burmese 1330 GMT 18 Oct 90

[Excerpts] Senior General Saw Maung, chairman of State Law and Order Restoration Council [SLORC], paid his respects to the senior monks belonging to the State Sangha Maha Nayaka Committee at the conference room of that committee in Zabudipa Hall on Kaba-Aye Hill at 0925 this morning. The senior general explained religious matters to and received advice from the senior monks.

The function was attended by 19 abbots headed by Venerable Bhadhanta Khamawuddha Agha Maha Pandita, representative of the State Maha Nayaka Committee and vice chairman of No. 2 Subcommittee as well as by Senior General Saw Maung, SLORC chairman; General Than Shwe, SLORC vice chairman; Lieutenant General Phone Myint, minister of home and religious affairs and information and culture; Major General Khin Nyunt, SLORC secretary-1; Major General Tin U, SLORC secretary-2; high-ranking Defense Services officials; and responsible officials of the Religious Affairs Department. [passage omitted]

Senior General Saw Maung, SLORC chairman, later elaborated on religious matters to the senior monks.

[Begin Saw Maung recording] Sirs, I have been preoccupied with work and although I cannot come here physically, I have been with you in mind. I (?cannot go) to the other places as well. You may perhaps hear me speak at times. I am however doing whatever should be done. To the best of my ability as well as with careful mindfulness, I have been doing what should be done in the interest of the country, the religion, and the people. The [words indistinct] is appropriate only for a certain period of time. I am a true Buddhist, and all of my ancestors from both sides of my parents are also Burmese. I am a native of Mandalay. I have tolerated as much as I can. You, my teachers, can see that I have also been doing whatever is necessary. I have decided to take measures that should be taken. You, my teachers, [words indistinct].

The present situation in the country warrants very serious concern. The situation is very dangerous both in terms of religion, as well as in terms of the situation in the country and of the people. I have studied the history of Buddhism in Myanmar [Burma] and also approached those in the know for my knowledge. [passage omitted]. The situation in the country today is—though I should not draw a parallel—similar to the one during the reign of King Anawrahta of Pagan. My teachers, in my opinion normal measures are no longer sufficient to ensure the perpetuity of the religion. I wish to say to you, sirs, the situation is such that it may become necessary for me, your disciple, to take appropriate measures to ensure the religion remains pure. I refer in particular to the event in Mandalay. Most people may not know about it, but since we have been watching the event closely with a keen mindfulness, we know about all that is happening there. [passage omitted]

Yesterday, Lieutenant General Phone Myint, [minister of home and religious affairs], who is in charge of this matter, reported to you relgious matters in Mandalay. I will explain the matter in detail now. Major General Tun Kyi, commander of the Central Military Command, and U Ant Maung, director general of the Religious Affairs Department, had a meeting with the leading monks of four townships in Mandalay to discuss the matter concerning the act of religious boycott. The meeting was held from 1120 to 1500 on 13 October 1990, at the Waziya Gandamayon monastery within the [words indistinct] pagoda compound. I understand the meeting was attended by 25 monks from the four townships. I have a list here of the monks who were present.

U Ant Maung presented a report at the meeting. [passage omitted] He said the SLORC has used almost 8 million kyat to promote religion. While such efforts are being made in all aspects to promote the religion, we have come to learn with deep regret about the unexpected religious boycott by the monks in Mandalay. While some places stuck with the boycott, other places did not accept the boycott. Although the boycott was reported in Mandalay, Yangon [Rangoon], and Monywa regions, the boycott did not appear to have taken place in Pakkoku, Yenangyaung, Magwe, Shan State, Kachin State, and Kayah State. Hence, it has become necessary to seek ways to unify the monks who do not support the boycott before [words indistinct]. Sangha Nayaka Committees legally formed at different levels are to seek those ways. U Ant Maung appealed that the monks belonging to the Sangha Nayaka Committees should act according to the directives issued by different level committees as well as in accordance with the rules and Vinaya code of conduct for monks.

At this point, U Thiri Bhirenda Biwuntha of the New Masoyane Monastery of Mandalay Southwest Township, who is the member of the State Maha Nayaka Committee, said the boycott was against the events that took place several weeks ago in Mandalay. All monks, public service personnel, and Mandalay citizens have been deeply saddened and have been concerned over whether the two sides will reconcile. Peaceful means should be pursued to bring about a reconciliation. [passage omitted]

U Kumara of Bhamo Monastery said he would cite the scriptures. In Sri Lanka, a young monk saw a senior monk drinking yagu soup out of the begging bowl because of his health condition. But the young monk went about speaking ill about the senior monk. Knowing this, the senior monk taught the monk that holy persons should not be slighted even by thought. The young monk kowtowed and apologized for his deeds.

The present event concerns some soldiers abusing monks not only by thought but physically as well, and hence they should apologize. The monks should also call off their boycott and act according to the Vinaya code of conduct.

U Thutta of Gandataw Monastery in Mandalay Southeast Township said that the commander has approached him twice regarding the boycott. The monks have not responded until today because of [words indistinct]. [passage omitted]

Replying, Commander Major General Tun Kyi said he had already promised to apologize [words indistinct]. He wanted to know how much power [preceding word rendered in English] the senior monks present at the meeting had to resolve the problem and whether they have influence over the other monks. In performing the duties of the nation, soldiers and the police personnel are not what the monks think they are. They are also Buddhists, and they pay respects to the monks when they see them. They even avoid stepping on the shadows of monks. Some of these, however, are not monks but people in yellow robes. We know and have seen the acts of the people in yellow robes. The monks have called the soldiers in the vicinty of the Masoyein Monastery dogs and told them not to come to the area. Such insults remain in the mind. [passage omitted]

We cannot continue to tolerate the present situation, and decisive action will have to be taken. Some monks have been mixing religion with politics. We will never hesitate to do anything religious that the senior monks ask us to do.

State Maha Nayaka Sayadaw Bhirenda Biwuntha of Masoyein Monastery said as a gesture of respect to the religion of Lord Buddha, an apology should be made in accordance with the Vinaya code of conduct for monks to end the boycott. Commander Major General Tun Kyi promised to apologize.

The commander said antigovernment elements are present in the monasteries and that the monasteries are spreading publications containing false and agitative materials. He said the monks should pursue only religious activities and should not engage in politics. He said there is unrest among students because of the instructions being given from monasteries and urged the senior abbots to organize to ensure no such activities take place in the monasteries. [Passage indistinct]

A ceremony to end the boycott was held at 1300 on 16 October 1990 at Nanmyo Kyaung Monastery. It was attended by 45 monks, including abbots from the Sangha Nayaka Committee and three monks (?each) from Myadaung Monastery, (?Tagogyi Ashay Khunnakan), and Anauktaik Monastery who participated in the strike. We learned the monks decided to end the boycott following Commander Major General Tun Kyi and U Ant Maung's apology, director general of the Department of Religious Affairs.

A meeting of 80 monks led by U Yewada, chairman of the Committee of Monks in Mandalay, was held from 1400 to 1630 on 15 October 1990 at Mogaung Taik Legun Ok Kyaung Monastery, Thirilinga East Ward, Mandalay Southwest. At the meeting, the monks deliberated on demands that Senior General Saw Maung should apologize to the monks on radio and television, should release all arrested monks, and should not station troops in religious buildings; for chairmen of divisional law and order restoration councils and director general of the Religious Affairs Department to hold ceremonies in townships where boycotts took place to make an apology, and to release an accurate account of the list of monks and people who were killed in Mandalay on 8 August 1990. The latest news is that the ceremony to end the boycott which is to have taken place at 1300 on 16 October 1990 has not taken place.

I would like to make a supplication to reverend abbots. What have I done? Which monk, which student, which person was killed on 8 October 1990? There are many evil influences behind this. I have not sought audiences with reverend abbots before as I do not want to impose upon you. I just take whatever happens as my karma. I apologize to the reverend abbots if I offended the religion, the Buddha, the teaching of the Buddha, or the order of monks or if my motive was dishonest. [passage omitted]

As your reverends are well aware, I approach you for religious affairs. I have the responsibility to inform the reverend abbots. I have been patient and tolerant. Beliefs can be interpreted differently. There is proof of this. I have not made the supplication before as I did not wish to cause division among the monks. Things have been going on for a long time—since the beginning of the events [of 1988].

At a ceremony marking the 68th National Day, a woman [Aung San Suu Kyi] made a speech on 3 December 1988—three months after we assumed responsibility. You may have already forgotten about it. In her speech, she said the Buddha was an ordinary person and that dog is more loyal than man. She used such terms. [passage omitted]

The events of [1988] may not occur in Myanmar [Burma] again, and such event had not taken place before. However, we have carried out our work with goodwill toward the (?country), religion, people, that is, all indigenous people, and all beings within the country's territories. Where are we to live with such ongoing protests? It is minority versus majority. I have said recently that if one wants state power, one has to form a party. Frankly, party politics is aimed more at obtaining power than at national interests. We have taken charge today [words indistinct]. Some asked me: When are you going to transfer power? I cannot say when. I am not the person who can see into the future. I have to handle the situation as it comes. I cannot tell if I will drown tomorrow. Human beings are subject to law of impermanence. [passage omitted] I cannot tell what will happen to me tomorrow. [passage omitted]

As for the present situation, it resembles the period of King Anawrahta. We have been restrained, but we believe the situation has reached its limit. I am giving three more days. Today is the first day, tomorrow is second day, and if the issue is not resolved by the third day, I will do whatever is necessary. This is my (?duty). By saying this, I am informing your reverend abbots. I do not want to burden the reverend abbots on account of me.

Publications such as Ottama journal come from these monasteries. [passage omitted] There are reports about imminent attack on Kuwait by forces in Saudi Arabia and what might happen before Christmas. So there are rumors as well as reports with some truth among rumors. According to our Burmese maxim, in this world good and bad go hand in hand. There can be compassion existing along with anger, and sometimes there can be compassion tinged with anger. I believe there is good and bad and cause and effect. I have carried out my duty of informing the reverend abbots. [passage omitted] [end recording]

Minister Warns as 'Religious Boycott' Spreads

BK1810150590 Rangoon Domestic Service in Burmese 1330 GMT 18 Oct 90

[Text] Lieutenant General Phone Myint, minister of home and religious affairs, beseeched and sought advice from senior abbots regarding religious affairs at a ceremony held in the conference room of the Zabudipa Hall on Kaba-Aye Hill at 1600 on 17 October 1990. The ceremony was attended by 18 abbots headed by Venerable Bhadhanta Khamawuddha Agha Maha Pandita, representative of the State Maha Nayaka Committee and vice chairman of No. 2 Subcommittee, as well as Lieutenant Colonel Than Nyunt of the Ministry of Home and Religious Affairs, and responsible officials of the Religious Affairs Department.

Lt. Gen. Phone Myint and the responsible officials first paid their respects to the senior monks. Next, Lt. Gen. Phone Myint addressed the senior monks. He said: I, your disciple, and Major General Myo Nyunt, commander of Yangon Military Command, have already approached you, sirs, in connection with the act of a religious boycott. That religious boycott emerged because of the incitement by [Monk] U Karwiya, head of the Galon Ni [Red Garuda] group, and follower of Bo Kyin Maung of the Burma Communist Party.

As I, your disciple, have reported to you earlier, we handled the act of religious boycott subtly and in a phase by phase approach. We have also sent U Ant Maung, director general of the Religious Affairs Department, to request an end to that boycott. U Ant Maung, together with the commander of the Central Military Command, invited the senior monks and made an appeal on this question.

We, your disciples, have been taking time and using all avenues to resolve the issue peacefully. The situation, however, instead of becoming peaceful, has now spread to Yangon [Rangoon]. We shall have to take decisive action against this in accordance with the law.

We (?shall allow for) three days beginning 18 October to end the religious boycott. We, your disciples, shall continue to show our respects to you, our teachers, as long as we are alive. We are only reporting to you about this. Because you, our teachers, should know about this.

Venerable Bhadhanta Khamawuddha Agha Maha Pandita, representative of the State Maha Nayaka Committee and vice chairman of No. 2 subcommittee, then gave his advice. In his speech, the abbot said all living beings move about and do things individually as well as in groups depending on their business and duties. People of the religious order not only go about their own business but also have to mind the business of others as well. Everyone should go about his business with wisdom and mindfulness. Well known abbots of yore have said wisdom and mindfulness go together like the left and the right hands, and the two should never be neglected. From this teaching, wisdom and mindfulness should be treated as one's own reliable allies, and one should act accordingly. If mindfulness is the right hand, wisdom is the left hand. If the right hand cannot lift something, the left hand has to help accomplish the task. In the same way, every matter should be analyzed and tackled with mindfulness first before making use of wisdom. There is a saying that someone who is mindful and wise is also strong. Hence, whatever is tackled should be tackled carefully with mindfulness before using wisdom to decide. Hence, I will have to tell you not to be divorced even for a moment from mindfulness and wisdom.

For instance, the minister here has to perform his own duties while working for the others, the nation, and the people. To take care of people of different minds and thinking is the most difficult of all duties. The government has undertaken such heavy responsibilities. The abbot said: I wish to advise that whatever is being done should be done with mindfulness and wisdom.

Next, Minister Lt. Gen. Phone Myint presented gifts to the monks and performed a religious ritual. The meeting ended at 1640.

NLD Leader Ohn Kyaing Reportedly Sentenced

BK1910023490 Bangkok THE NATION in English 19 Oct 90 p A2

[Text] Burma's military government, making its toughest move since the opposition won a landslide election victory in May, has sentenced two dissident leaders to jail, a diplomat said yesterday. The Rangoon-based diplomat said two of six National League for Democracy (NLD) leaders arrested last month for "causing unrest" had been tried and sentenced in Insein jail on Wednesday to seven years' imprisonment.

"The pace has picked up. The army is showing it can get mean," said one Rangoon-based source.

There was no official announcement of the sentence and other Rangoon-based sources were unable to immediately confirm the report. Yesterday was a government holiday in Burma.

Since the arrest of the six leaders, including acting chairman Kyi Maung and secretary Chit Khaing, the party has lost momentum and the support of followers keen to see an end to two years of oppressive army rule.

One of the two men sentenced was Ohn Kyaing, a member of the NLD's Central Committee and leader of the party's branch in Mandalay. Ohn Kyaing and three other leaders were arrested after several people were injured, and possibly killed, during anti-government demonstrations there in August.

Radical monks and less restrictive army control have made Mandalay the country's most active dissident centre. Diplomats said the NLD branch has led the pressure on the Rangoon-based executive committee to take a tougher stand against the army.

The diplomat did not know the name of the second NLD member sentenced. He said it was not Kyi Maung or Chit Khaing, acting leaders of the NLD for the last year.

The army has jailed only one other NLD leader, chairman Tin U, who was sentenced to three years hard labour last December. Secretary Aung San Suu Kyi was put under house arrest in July 1989.

Party sources said Ohn Kyaing had played an active role in the radical wing of the NLD. He was present at several clandestine meetings held in the wake of the party's election win to push the party harder for an immediate transfer of power.

The NLD last week tried to regain lost ground by setting up a committee gathering representatives of its 392 successful candidates.

Khin Nyunt Tours Border Region 14-15 Oct

BK1610041390 Rangoon Domestic Service in Burmese 1330 GMT 15 Oct 90

[Excerpts] Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] and chairman of the Committee for Development of Indigenous Races in Border Areas, accompanied by members of the committee—Brigadier General Thein Win, Air Force chief of staff; Brigadier General Myo Thant, director of communications; Police Director General San Thein, acting director general of the People's Police Force; responsible officials from the Office of the Chairman of the SLORC and the office of the committee; and directors general and directors of departments and enterprises concerned—left Yangon [Rangoon] aboard an Air Force Plane in the morning on 14 October. The entourage arrived in Lashio Airport at 0930. [passage omitted]

The secretary-1 and his entourage met with local Kokang leaders at the communications hall of the Northeast Military Command Headquarters and discussed border region development projects and narcotic drug eradication work. [passage omitted]

Speaking at the meeting, Major General Khin Nyunt said now is the time for the local people to give priority to narcotic drug eradication work since they have removed the BCP [Burma Communist Party] insurgents who once engaged in narcotics production in border areas to support themselves economically and to secure weapons. He said the state government has carried out narcotic control work annually through Operation Mohein, as the whole world knows. He said although this military operation has not been carried out since 1988 as priority is being given to the country's political and economic development, narcotic control work is being carried out on a regional scale.

He said since we assumed responsibilities, narcotic drugs have been burned twice. However, despite the narcotic control work we have carried out, there have been groudless accusations against us. He said some major countries have said some leaders in Myanmar [Burma] are themselves colluding with indigenous leaders along the border areas in producing narcotic drugs. Therefore, he said, it is not enough for the government to work alone in narcotic control and eradication work; all indigenous people in border areas must resolutely carried out their work with an identical outlook for the success of the undertaking. [passage omitted]

Following the meeting, the secretary-1 discussed the development of hydroelectric power in Kokang region, the cultivation of substitute crops for opium—sugarcane, rubber, sesame, beans, corn, and tea—livestock breeding, trade, and road expansion projects. After the discussion, the secretary-1 and his entourage left by helicopter and arrived in Muse at 1515. [passage omitted]

Speaking at the meeting, the secretary-1 said he and his entourage had come to Muse to discuss Myanmar-China border trade discussions initiated in 1984 and the agreement on border trade signed on 5 August 1988. [passage omitted] He said border trade between Myanmar Export and Import Enterprise and Yunnan Export and Import Corporation between December 1988 and September 1990 was worth U.S.$1.7 million and that this figure does not include trade carried out by cooperative and private concerns. He noted the level of trade at the governmental level was still low and called for more efforts to promote trade between the two governments. [passage omitted]

The secretary-1 and his entourage returned to Yangon in the evening on 15 October via Lashio by Air Force plane.

Brunei, Malaysia & Singapore

Malaysia

PBS Vice President Protests Pullout, Resigns

BK1910121090 Kuala Lumpur NEW STRAITS TIMES in English 18 Oct 90 p 3

[Text] Kota Kinabalu, Wed—Land and Regional Development Minister Datuk Kasitah Gaddam today resigned as a vice president of the Parti Bersatu Sabah [PBS] in protest against the party's decision to pull out of the Barisan Nasional [BN].

In his resignation letter addressed to PBS president Datuk Sri Joseph Pairin Kitingan, he said he has also ceased to be an ordinary member of the party. Datuk Kasitah said he would discuss with his friends and supporters before deciding on his next course of action.

While reaffirming his undivided support to the BN, Datuk Kasitah said he has no plans to join other political parties or form his own party. "Although I am not affiliated to any party, I will lend my support to all candidates who believe and subscribe to the BN policies and objectives," he said at a press conference at his residence here.

He also indicated that he will throw his support to Angkatan Keadilan Rakyat (Akar) president Datuk Mark Koding in his bid to win the Kinabalu seat against PBS Dr Othman Minudin. Datuk Kasitah was the incumbent MP for Kinabalu but was not selected by the PBS to defend the seat. He said he tried to contact Datuk Sri Pairin this morning to get a clearer picture on the PBS decision to opt out of the BN but failed. "I also left a message with one of Datuk Sri Pairin's aide asking him to return my call, but he never did."

Datuk Kasitah expressed his disappointment at not being called for any discussion before the decision was made. "All the efforts I had taken to improve ties between the PBS and the BN leadership have gone to the drain as a result of the PBS action. As one of the party's vice presidents, the PBS leaders should at least have the courtesy to include me in any meeting to discuss the matter before any decision was made."

Mahathir on PBS, Spirit of '46 Cooperation

BK1810142190 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 18 Oct 90

[Text] Datuk Sri Dr. Mahathir said in Kota Baharu today that the establishment of a pact between Spirit of 46 and Party Bersatu Sabah [PBS] shows that the president of Spirit of '46 is backing the setting up of a television station in Sabah that is said to be for propagating Christianity.

Dr. Mahathir was responding to journalists' request for comments on press reports alleging that Datuk Pairin's supporters were angered by his failure to fulfill the promise to set up the television station.

[Begin Mahathir recording] We have television, but not for that purpose. If Datuk Pairin wants to set up the televsion station to propogate Christianity, it will be difficult for us to give approval. Pairin said the Spirit of 46 party manifesto is identical to his party's manifesto. He explains his intention to set up a television station in his party manifesto, and Tengku Razaleigh backs the idea. So there is nothing I can say if Tengku Razaleigh becomes the prime minister. [end recording]

Speaking on PBS's decision to withdraw from Barisan National, Dr. Mahathir said the people of Sabah cannot be blamed.

[Begin Mahathir recording] We will also explain to the people of Sabah that Pairin's action will be disadvantageous to Sabah. If the government of Sabah does not have a good relationship with the federal government, it will be difficult for the federal government to cooperate with it. Thus, this is our message to the people of Sabah: We are not blaming the people of Sabah but the PBS for purposely poisoning the minds of the people of Sabah and for denying the abundant aid the federal government has given. [end recording]

Deputy Premier Says PBS 'Without Principle'

BK1910103490 Kuala Lumpur International Service in English 0800 GMT 19 Oct 90

[Text] Deputy Prime Minister Ghafar Baba says Parti Bersatu Sabah [PBS], which quit the Barisan Nasional recently, is a party without principle. He said as testified by its former vice president, Datuk Kasitah Gadam, the party often made decisions without consulting some of its leaders.

Presenting video recorders to 13 schools in Papar, Sabah, he said this showed that the party did not care even for its vice president, Datuk Kasitah, who is a federal minister.

Paper on PBS Withdrawal From National Front

BK1810150290 Kuala Lumpur NEW STRAITS TIMES in English 17 Oct 90 p 12

[Editorial: "Untimely and Regrettable"]

[Text] Although the Parti Bersatu Sabah's [PBS] withdrawal from the Barisan Nasional [BN] has come like a bolt from the blue, it has undoubtedly been a deliberate move on the part of the PBS leadership to sever ties with the long-ruling coalition and pursue its political goals in partnership with a new team. Whether it's plainly indecorous or downright perfidious, the withdrawal of the PBS can been seen as a normal process in the political scheme of things—especially when it is recalled that the PBS had tried so hard and had been in such a huge hurry to join the Barisan at Federal level after the 1986 general election. Of course, the BN took some time to consider its application—partly to afford the PBS sufficient time to reflect and think carefully about its intention after having opposed the BN in the hustings.

Nevertheless, the public is bound to share the view of the Prime Minister that the abrupt departure of the PBS, virtually on the eve of a crucial general election, is tantamount to stabbing the coalition in the back. Witting or not, the precipitate move betrayed a rather inordinate sense of impatience, if not a touch of the Machiavellian as well. Prime Minister Datuk Seri Dr Mahathir Mohamad was reported to have commented on the withdrawal by saying that during last Sunday's visit to Kota Kinabalu the Chief Minister of Sabah made a number of requests that could not be attended to immediately. This is simply because the present Government is only a caretaker one during the transitional period before a fresh mandate has been obtained from the electorate. Datuk Seri Joseph Pairin Kitingan was told that his requests could only be considered after the general election.

Only a day before the withdrawal announcement, the PBS leader had pledged to work with Usno [United Sabah National Organization, another BN component] during the election. The party has therefore committed the (morally) unthinkable by pulling out of the coalition. Moreover, the suspicion that the PBS had wanted to play the role of kingmaker in national politics became clear when in announcing its decision to sever ties with the BN it declared almost in the same breath its desire to throw in its lot with Semangat 46.

Whatever might be the glorious dream or the grand design of the PBS, it should (and must) take into consideration the overriding objective of national unity which it must admit could be rather fragile in an intensified atmosphere during election time. Nothing must be done to shatter the peace and jeopardise the prosperity in the country. We must always remember the amount of sacrifice entailed as well as the prevailing sense of justice to achieve the kind of political accommodation which has made Malaysia what it is today. Basic good sense and sensibility must not be allowed to be pushed aside by ephemeral and short-term political considerations.

It cannot be denied that what makes this country what it proudly is today is, above all, a strong and responsible Government of all races, and one truly capable of serving the interests of all Malaysians.

Perhaps, the sharp fall in share prices on the Kuala Lumpur Stock Exchange yesterday gives a good indication of what impact a weak and unstable political situation could have. As we all know, jittery investors have a tendency to exaggerate an ailment (even a sniff of trouble) and will run for cover at the slightest sign of uncertainty. It is clearly for the good of all Malaysians that this country must have a strong and efficient Government. At this crucial juncture of nation building, we just cannot afford to have a nondescript Government made up of a constellation of small parties jockeying for power.

Contrary to the assurance given by the PBS leader, the party has dishonoured its position of trust as a BN component by fielding its own members to challenge Usno candidates in the election. Perhaps it is just as well that it should leave the BN now rather than after the election.

AFP on Explosions at Candidate's Residence

BK1910072390 Hong Kong AFP in English 0713 GMT 19 Oct 90

[Text] Kuala Trengganu, Malaysia, Oct 19 (AFP)—Four Molotov cocktails were hurled at the residence of an opposition candidate contesting Sunday's general election in this northeastern state, causing slight damage but no injuries, police said.

They said that the candidate, Tengku Ibrahim Ismail, reported being awakened by the explosions just before dawn in the first known violence ahead of Malaysia's election capaign. "Only three Molotov cocktails exploded while we have taken the fourth for analysis," said Mohamad Ali Nathu Khan, chief of criminal investigations in Trengganu.

Tengku Ismail, the younger brother of the sultan of Trengganu, is running for the Tanggol seat in the state legislature on the opposition Semangat '46 (Spirit of 46) ticket.

Mr. Ali said police investigations were underway to trace the people responsible, the motive and the explosives used in the bombing. "We are also investigating whether it is connected to the polls," he said.

Semangat '46, headed by former Trade and Industry Minister Tengku Razaleigh Hamzah, is giving Prime Minister Mahathir Mohamad's nine-year-old government its biggest electoral challenge.

Penang Leader Under Fire Over Environment

BK1710103090 Bangkok THE NATION in English 15 Oct 90 P A9

[By Sonny Inbaraj: "Penang Hill Issue May Cost Mahathir Associate Dearly"]

[Text] The day Penang Chief Minister Dr Lim Chong Eu filed his candidacy papers to defend his state assembly seat at the Malaysian general election on October 20, environmentalists held an emergency meeting to defend one of the last remaining tracts of rainforest on the island.

On Sept 1 this year, the state government headed by Dr Lim's Gerakan party—a component of Prime Minister Mahathir Mohamad's ruling National Front coalition—signed a memorandum of understanding with Bukit Pinang Leisure Sdn Bhd for the building of a shopping centre, indoor sports stadium, night-clubs and discos and a golf course on top of the Penang Hill at the expense of several hundred thousand hectares of rainforest.

"The people of Penang never knew the plans of the state government, until the memorandum of understanding was signed," said a spokesman from Aliran, a social reform group here.

Observers in Penang say that Dr Lim signed the intent to enter into a contract to "develop" Penang Hill, not knowing Mahathir would call for the elections so soon.

But Mahathir's United Malays National Organization (UMNO)—of which the prime minister is the president—involvement is also seen in the project withs the inclusion of Berjaya Corporation who are acting as advisers to the developers. Berjaya Corportion is headed by Vincent Tan, who acts as one of the corporate wizards for UMNO and Finance Minister Daim Zainuddin.

Environmentalists says the projects will cause disturbance of many critical water catchment areas in the island. "The impact of the activities, including tree-cutting, land-clearance, transport and construction works, will have extensive adverse effects on the soil, vegetation and water of the hills and catchment areas," said Friends of the Earth Malaysia in a statement.

"There is a danger that the reservoirs which collect most of Penang's drinking water would be affected by siltation and less water intake thus increasing the possibility of water scarcity," added the statement.

Besides acknowledging the ecological importance of the rainforest on Penang Hill, Penangites also hold very fond memories of the area. "Please keep these monstrosities (the shopping centres, night-clubs etc...), if they must come into being, away from the hill. I bring my children to the hill as often and as regularly as possible so that they can enjoy the natural free and pure delights it offers," said Xu Guoqing, a long-time resident.

With obvious reference to Chief Minister Dr Lim, Xu said: "It is difficult to imagine how any older generation Penangites could find it in themselves to authorize such desecration."

While the rainforest on Penang Hill might be at stake for Penangites and environmentalists, the signing of the memorandum of understanding with the developer could spell the end of Dr Lim's career as Penang chief minister which has spanned two decades. Dr Lim's challenger in the Padang Kota state constituency is the Democratic Action Party (DAP) fireband, Lim Kit Siang, who told reporters he was going for broke and risking his political career when he filed his nomination papers on Thursday.

The multi-racial pro-Chinese rights DAP has teamed up with Mahathir arch-rival Tengku Razaleigh Hamzah's Spirit of '46 in a pact which is called Gagasan Rakyat (People's Might). Also in Gagasan are the All-Malaysian Indian Progressive Front, Parti Rakyat Malaysia and the Malaysian Solidarity Party. Razaleigh has also managed to unite Islamic fundamentalists Parti Islam Malaysia (PAS), Muslim moderates Hamim and Berjasa in another pact called the Angkatan Perpaduan Ummah (Muslim Solidarity).

Razaleigh fell out of Mahathir's favour in 1987 when he challenged the prime minister for UMNO's president post apd lost by a slim majority. The same year, the High Court dissolved UMNO in a dispute over party polls.

A wing led by Mahathir formed UMNO Baru which now dominates the National Front coalition. The other UMNO faction led by Razaleigh formed the Spirit of '46.

For the first time since independence in 1957, the National Front is faced with an alternative multi-racial opposition representing the three main ethnic groups and the Islamic fundamentalists in Malaysia.

Lim who is the secretary-general of the DAP has made it very clear that the party wants to wrest control of the Penang state government from the National Front coalition. The Penang Hill issue could very well serve to enhance Lim's political ambitions with DAP insiders saying that the controversy will be made the party's main campaign issue on the island.

In the 33-seat state assembly, the DAP holds 10, UMNO 12, Gerakan 9, and the Malaysian Chinese Association (also a National Front component) two. To form the next state government, the party needs to secure at least 18 seats in this election to form a working majority. Lim says the DAP's pact with Spirit of '46 is workable and at least eight Malay majority seats could be captured with just a 500 votes swing in each constituency.

"The Penang Hill issue and several other projects carried out by Dr Lim's state government, clearly shows the people of Penang that the National Front is only preoccupied with making the rich become richer. In the end it's always the poor that suffer," said a DAP source.

When the Gerakan party was questioned by the environmentalists on why the Penang Hill was approved without the prior knowledge of Panangites, Dr Choong Sim Poey, the party's secretary to the political strategy committee said: "We have to make it clear at the outset that the Penang State government's decision was not discussed with the party at all." Dr Choong agreed that it was the state government's responsibility to see that the interest of the public is protected in the approval and implementation of this (the Penang Hill) project.

A middle-aged taxi driver, however, found Dr Choong's statement hard to swallow. "Of course the Gerakan knows of the project. Trying to abrogate responsibility by claiming ignorance cannot fool the people. Dr Lim has been chief minister since 1969, and it's high time we say we've had enough of this nonsense. Old Penangites with sentimental reasons might vote for him, but the younger ones are saying enough is enough. They want a change," he said.

Premier Mahathir Says DAP Not 'Democratic'

BK1910130790 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 19 Oct 90

[Text] Addressing a ceremony marking the inauguration of a public hall at Petani Road, Penang, Prime Minister Mahathir said the Democratic Action Party [DAP] is not a democratic political party. The structure of DAP organization proves this when its secretary general has more authority than its chairman.

Prime Minister Mahathir said he regretted the attitude of some urban residents who seem to think they should lend support to the opposition parties in the town areas.

Mahathir Says UMNO 'Must Win' All 87 Seats

BK1910071290 Kuala Lumpur International Service in English 0600 GMT 19 Oct 90

[Text] Datuk Sri Dr. Mahathir Mohamed says UMNO [United Malays National Organization] must win all the 87 parliamentary seats it is contesting in the general election on Sunday to be the pillar of strength of the Barisan Nasional [National Front] government to be formed later. The prime minister said with UMNO winning all the seats it contested, the party would be the spine of the coalition government which no quarters could easily dismantle. He was addressing about 5,000 people in Parit Buntar, Perak.

Earlier, addressing a people's gathering in Hutan Melintang, the prime minister said it is vital that multiracial Malaysians rally to cooperate with each other and not be radical.

Datuk Sri Dr. Mahathir this morning arrived in Penang for a one-day visit. Factory workers carrying Barisan Nasional flags and posters lined the way to greet him on his way to the town center. The prime minister leaves for Kangar in the afternoon.

Mahathir Profiled; Campaign Strategy Viewed

BK1910082090 Hong Kong AFP in English 0736 GMT 19 Oct 90

[By Peter Mackler]

[Text] Kuala Lumpur, Oct 19 (AFP)—Prime Minister Mahathir Mohamad stood smiling and relaxed in a dingy community hall here as he exhorted Chinese voters to help him win big in Malaysia's general elections this weekend.

"We need two-thirds or more," the bespectacled physician-politician told a subdued crowd of about 500 in the Chinese-dominated Kepong constituency in northern Kuala Lumpur. "If the government is weak, there will be no peace."

The prime minister then archly reminded the crowd that the last time the government failed to win a two-thirds majority, race riots erupted that cost hundreds of lives—omitting that most of the dead were Chinese.

A half hour later, after a stream of jocular jibes at his opposition and a promise of 5,000 new housing units for the neighborhood, he was off to his next stop with sporadic shouts of "Long Live Mahathir" ringing in his ear.

For all its dire undertones, the smooth performance by the 64-year-old Malay leader in a Chinese stronghold highlighted the confidence and ease—critics would say imperiousness—he has developed since assuming power nine years ago. Now facing his most serious electoral challenge from an alliance led by his former Trade MinisterTengku Razaleigh Hamzah, Dr. Mahathir has been a tireless campaigner, criss-crossing Malavsia virtually non-stop despite undergoing bypass surgery for a heart attack in January 1989. He went into the campaign as the most controversial prime minister Malaysia has had since independence in 1957, a former Malay nationalist firebrand once outcast from his own party for his radical views.

Supporters praise his vision, drive and reformer's zeal. Detractors see him as an unyielding and divisive political bull in a china shop in a country where racial and religious sensitivities run high. But few can dispute Dr. Mahathir's claim that his National Front coalition has "delivered the goods" for this Southeast Asian country of 18 million people, where majority Malays mix with Chinese, Indians and various tribal groups. He has presided over the transition of Malaysia from a sleepy agricultural backwater into an emerging power heading this year toward double-digit growth and status as a newly industrialised Asian "dragon."

Often battling a bloated bureaucracy, Dr. Mahathir launched major industrial projects such as cement, steel and car plants that are bearing fruit after years of heavy losses. Foreign investment is flooding in—even if it is due less to planning and more to rising labour costs and currency problems elsewhere in Asia—and Dr. Mahathir has worked hard toward the goal of giving indigenous Malays 30 per cent of the country's corporate wealth.

But as Malaysia's economic fortunes have risen, so has Dr. Mahathir's insistence on keeping an ever tighter hold on the government and the lead party in the coalition, the United Malays National Organisation (UMNO). "Where there is strong government, there has been development," he stresses on the campaign hustings, citing growth in countries such as South Korea, Taiwan and Singapore and disorder amid the "people power" of the Philippines.

Dr. Mahathir has been quick to use his three-quarters majority to push through constitutional amendments on a variety of issues. In 1987 he detained more than 100 opponents without trial and a year later sacked six judges for alleged misconduct.

Some of his actions have even put off supporters such as Shahrir Abdul Samad, a government member of parliament, who said: "His style does not solve anything."

When he came to power, Dr. Mahathir promised Malaysians "clean, efficient and trustworthy government," but his administration has been dogged by allegations of cronyism and high-level corruption.

Born on December 20, 1925, as the son of a schoolteacher in the northern state of Kedah, the future prime minister studied medicine in Singapore after being rejected in his bid to read law in Britain. Returning as one of the country's first Malay doctors, he rose through the UMNO ranks and was elected to parliament from Kedah in 1961. But he was sacked from the party eight years later after accusing Malaysia's founding father Tunku Abdul Rahman of not doing enough to promote indigenous rights.

Dr. Mahathir was unrepentant and went on to write "The Malay Dilemma," which came under attack for alleged Malay chauvinism and was banned until after he became prime minister in 1981.

Once in power, Dr. Mahathir set about reshaping Malaysia's foreign policy, turning it eastward to try to emulate the successes of Japan and Korea and taking a lead in promoting the concerns of the Third World. His anticolonialist leanings turned him against Malaysia's former rulers in London with a "Buy British Last" campaign in 1982 and 1983.

Article Views 'Most Keenly Fought' Elections

BK1910050090 Bangkok BANGKOK POST in English 19 Oct 90 p 4

[Article by M.G.G. Pillai under the "ASEAN Viewpoint" rubric: "Mahathir on the Defensive"]

[Text] Kuala Lumpur—Dato Seri Mahathir Mohamed, the Malaysian prime minister, still smarting from the withdrawal of a major coalition partner from his National Front on Monday, has warned of political instability should his National Front not be returned to power in this weekend's general elections. The National Front, and its predecessor, the Alliance, has formed the government in Malaysia since independence in 1957.

The Parti Bersatu Sabah (United Sabah Party or PBS) withdrew from the coalition on Monday and aligned itself with the opposition coalition called Gagasan Rakyat (People's Might) led by former finance and trade minister, Tengku Razaleigh Hamzah. The PBS-led government feels shortchanged by the federal government, and the federal National Front coalition, which supported the Muslim-based minority party in the state. It wanted a university in the state, higher oil royalties, and a television station. The PBS made these demands in its manifesto for the July state assembly elections, in which it was returned in 36 of the 48 constituencies. Kuala Lumpur has ignored these, and other, issues which made many in Sabah feel they ought to negotiate for better terms to remain in Malaysia.

The federal and state leaders have been discussing these issues recently for several months. On Sunday, Dato Seri Mahathir told Dato Joseph Pairin Kitingan in Labuan that he would consider them after the general elections. But these issues were not sprung upon him as Dato Seri Mahathir suggested it was when he met reporters after the PBS withdrew from the coalition on Monday night. But whatever the merits of the PBS case, its withdrawal shocked the National Front and gave a boost to the opposition. Almost certain now is the loss of the government's two-thirds majority, the barometer of political control here, and more confident predictions of the government losing the elections are also being heard. The government, suddenly, is on the defensive.

Malaysia's eighth general election since independence is the most keenly fought of elections. For the first time, the government and opposition coalitions have an even chance of forming the next government. Malaysia's multiracial makeup ensured that no one could form the government without the backing of the three main races—the Malays, the Chinese and the Indians—and of the states of Sabah and Sarawak, in Borneo Island, and separated from the peninsula by about a thousand miles of sea. Until last year, only the National Front had been able to cobble together such a coalition. Now there is another.

The weekend elections (October 20 and 21) will also choose the 11 state governments in West Malaysia. Here, all but Kelantan and Penang states appear safe for the National Front. The general presumption was that the opposition coalition would dent the government this time, and succeed in the next general election. But there is a mood for change evident in the government's mask of impertibility is dropping

Until the PBS shock withdrawal from the National Front, Dato Seri Mahathir was expected to be returned to power with ease. The opposition was, at best, expected to deny the government a two-thirds majority in parliament, the barometer of political control here. Now, Tengku Razaleigh is being talked of being the next prime minister.

The racial riots of 1969 is the threat that politicians use if the people rejected what they wanted. The National Front, whenever it felt threatened, invoked the fears and damage that "another May 13" would cause. Now the same threat is invoked in the wake of the PBS withdrawal. Dato Seri Mahathir now talks of losing his two-thirds majority in parliament. Tengku Razaleigh now talks of forming the next government. That may be still an overreaction, but he would do much better than analysts had given him credit for only last week.

Dado Seri Mahathir's UMNO [United Malays National Organization] Baru, which dominated the coalition, met in emergency session on Tuesday night and decided to form a branch in Sabah, support independent candidates against the PBS with financial and media help, and refused to allow the PBS to return to the coalition should it ever want to. The deputy prime minister, Mr Abdul Ghafar Baba, is leaving for Sabah to co-ordinate the campaign against the PBS. The National Front parties had decided, when Sabah and Sarawak joined to form Malaysia in 1963, that they would not venture into the two states.

What is worrying is that the normally moderate National Front leaders are trying to turn the PBS desertion as a Christian attempt to "fix" the Muslims. The PBS represents the largely Christian Kadazan and Dusun communities, who look upon the Muslims in the state attempting to control the state with federal help. The chief minister of Selangor, Tan Sri Mohamed Taib, said the PBS withdrawal was a good thing, since PBS only caused trouble for Muslims.

The public support for Dato Seri Mahathir has come largely from his own coalition partners. Few non-governmental organisations and businessmen, even those who benefitted much from his government's patronage, have jumped to his defence, as they normally would have. Businessmen and others, suddenly, are hedging their bets.

In Asia, the charisma of power is an important ingredient of political leaders. Once that is gone, the leader cannot depend on his other attributes. It is worse than loss of face. Once a leader is seen to be weakening, his subordinates and followers make other plans. So, should he even be returned to power with a two-thirds majority, his own supporters would add their voice to the chorus calling on him to resign.

His long-time challenger and former colleague, Dato Musa Hitam, the former deputy prime minister who is now the Malaysian special envoy to the United Nations, is not contesting the general elections. But he is now almost certain to stand in the party elections next month.

He has told friends he would challenge Mr Abdul Ghafar Baba, the deputy prime minister, for the deputy presidency of UMNO Baru (New UMNO) but that he might decide to go for the presidency should Dato Seri Mahathir stumble in the polls.

For Dato Seri Mahathir, all this is galling. The major daily newspapers, all of which the National Front components control or own, give banner headline treatment to defections from the opposition parties, often about disgruntled party members and their supporters crossing over, usually for a financial consideration. But even in this, the mild-mannered, balding, 53-year-old, bachelor Tengku Razaleigh has bested him. He has now weaned to his ranks three parties from the National Front, while there has been no significant desertions from his ranks. He now goes to the general elections with at least 18 seats the PBS is expected to be returned from Sabah. All he needs now is to be returned in another 40 constituencies to make Dato Seri Mahathir's position shaky.

Tengku Razaleigh continues to draw large crowds in the rural and urban areas as he hammers home his belief that the prime minister is not a Malay leader, whatever else he might be. This is a powerful argument in a country where the Malays hold political power. Dato Seri Mahathir's attempt to curtail the power of the rulers in 1983 is resuscitated, as his decision to hold on to power in 1987, when Tengku Razaleigh lost the UMNO presidency by 41 votes.

Dato Seri Mahathir said he won by 41 votes, that he would have remained even if he had won by a single vote. But the Malay community argued that half the community rejected him. People are slowly coming around the Malay community's perception of him. So, even should Dato Seri Mahathir win the weekend general elections, he would still be under pressure from Tengku Razaleigh and his opposition coalition. The problem would be worse if the prince has more than a third of the seats in the 180-strong parliament.

AFP Discusses Campaigns on Economic Policies

BK1810025790 Hong Kong AFP in English 0219 GMT 18 Oct 90

[By Leu Siew Ying]

[Text] Kuala Lumpur, Oct 18 (AFP)—Malaysia, riding an economic boom spearheaded by its manufacturing sector, is unlikely to drastically change its economic policies no matter who wins this weekend's election, analysts said. The robust economy is underpinning the bid by Prime Minister Mahathir Mohamed's 10-party National Front coalition for a third term in office, with the front pledging to continue current policies.

Tengku Razaleigh Hamzah, the former trade and finance minister who is heading the five-party Gagasan Rakyat (People's Might) opposition alliance, has not promised any major changes either. The campaign has featured little debate on the economy of this multiracial country. Projected double-digit growth and a surge of investment could push Malaysia into the ranks of newly industrialised countries.

"There are not going to be drastic changes," said Chandra Muzzafar, chairman of Aliran, a social reform movement. "The Gagasan Rakyat has a stronger orientation towards social justice and greater concern with distribution of wealth than the National Front, but both are committed to a free market economy."

Neither side's election platform presents voters with stark choices on economic issues, which include the New Economic Policy [NEP] aimed at giving indigenous Malaysians a 30 per cent share of corporate wealth.

The National Front manifesto pledges to "continue its liberal growth policy into the next decade." This had included relaxing equity requirments on foreign investors in the mid-1980s when the country was in a recession. Foreign investors had been required to limit their equity holdings to 30 per cent under the NEP, framed after the 1969 racial riots in which hundreds of people died.

If Malaysia's political stability has often been cited as a major asset for investors, the NEP has been seen as a discouraging factor. The policy expires this year.

The National Front, in the midst of formulating a growth-oriented successor to the NEP, was silent on the issue in its election manifesto while the Gagasan Rakyat made only a passing mention. "We are committed to the NEP's goal of achieving genuine national unity by reducing socio-economic inequality," it said, adding that the NEP's main beneficiaries had been the well-connected rather than the truly deserving, especially the poor.

Mr. Chandra said that the National Front was likely to keep the NEP's racial quotas while stressing human resources development and dressing up the new policy to make it look more acceptable.

Dr. Mahathir, who came to office in 1981, is playing the continuity card as he seeks a new five-year term at the head of this Southeast Asian country of 17 million people.

"Only peace and stability can ensure that we can continue with our momentum of growth and prosperity," the National Front manifesto reads.

Malaysia's gross domestic product grew at an average rate of 7.5 per cent in the last three years and economists have been revising their forecast after the August 2 Iraqi invasion of Kuwait to as high as 11.1 per cent for this year. This year's growth rate is set to be the highest since 1976 thanks to the hike in oil prices that would swell Malaysia's coffers with petrodollars, economists said.

Investment commitments have reached unprecedented levels and currently amount to 20.5 billion dollars (7.59 billion U.S.), according to figures for the first eight months of 1990 cited Tuesday by Rafidah Aziz, the minister of trade and industry. The investment surge has virtually wiped out unemployment and investors are now complaining about not being able to find skilled workers.

Opposition leaders, however, said that Malaysia had been able to log strong growth more by luck than anything else, with the help of foreign capital chased from countries such as Japan and Taiwan by rising labour costs and appreciating currencies.

Election Prospects for Parti Islam Analyzed

BK1910064390 Hong Kong AFP in English 0601 GMT 19 Oct 90

[By Mervin Nambiar]

[Text] Kuala Lumpur, Oct 19 (AFP)—Moslem fundamentalists who once boasted they would set up an Islamic state in multi-racial Malaysia are seeking to revive their political fortunes at polls this weekend after suffering virtual eclipse five years ago.

Parti Islam held only one seat in the house when Prime Minister Mahathir Mohamad dissolved parliament on October 5, setting the stage for the most bitterly fought campaign since independence 33 years ago. But analysts said this time a loose alliance grouping almost every opposition party could increase Parti Islam's representation in the 180-member Dewan Rakyat, the lower house, and boost the number of fundamentalists in several state assemblies. The party could also return to power in the northeastern state of Kelantan.

While the party, which drew inspiration from Iran's Ayatollah Khomeyni, fielded candidates in 96 parliamentary constituencies in 1986, this time around it is contesting only 32 where its chances of victory are better rated.

To widen its appeal, Parti Islam has shelved its call to make Malaysia a Moslem state. It says that if it came to power it would base all future legislation on Islamic law, but assure non-Moslems all their rights, including freedom of worship.

"Whatever happens, I don't see them becoming a force in national politics or shaping Malaysian policy," said an Asian diplomat and long-time observer of Malaysian politics. He said Parti Islam's influence would largely remain confined to the conservative, predominantly ethnic Malay belt states of Kelantan and Trengganu where alcoholic drinks are taboo and most women drape their heads in scarves.

Parti Islam was launched in the early 1950s by dissidents who broke with Dr. Mahathir's United Malays National Organisation (UMNO), then leading the struggle for independence. UMNO, representing ethnic Malay Moslems, later grew into Malaysia's largest political party and is the backbone of the ruling National Front coalition, a group of 10 mostly ethnically-based parties. Parti Islam won control of the then impoverished states of Kelantan and Trengganu in 1959 but lost its grip over Trengganu to UMNO in 1961 before crashing out in Kelantan in the 1978 general election.

Over the past two years, however, Parti Islam leader Fadzil Noor has thrown his lot behind former Trade Minister Tengku Razaleigh Hamzah who ironically spearheaded the National Front campaign that chased Parti Islam from power in Kelantan. Mr. Razaleigh, a bachelor prince from Kelantan who has vowed to drive Dr. Mahathir from office, has built two opposition pacts around his Semangat '46 (Spirit of '46), grouping his followers who broke with Dr. Mahathir in 1987.

To improve their prospects of forming Malaysia's next government, the nine parties in the loose alliance have split their candidacies among the 180 seats in the Dewan Rakyat and the 351 seats in 11 of Malaysia's 13 state assemblies holding simultaneous polls.

By dividing up the seats and ensuring that the anti-government vote is not split, analysts say Mr. Razaleigh has considerably firmed Parti Islam's prospects in the constituencies in which the party will be the opposition standard bearer.

Most of the other parliamentary constituencies will be contested by candidates fielded by Semangat '46 and the Democratic Action Party (DAP) which draws much of its support from ethnic Chinese voters. Some analysts say this arrangement will help Parti Islam and the DAP more than it would candidates from Semangat '46. "Mr. Razaleigh could end up the big loser because his supporters may vote for Parti Islam and the DAP, but I don't see many votes moving the other way," Mohamed Rahmat, the UMNO secretary-general and Malaysia's information minister, said recently.

A Western diplomat agrees. "The parties that will benefit are Parti Islam and the DAP which hold the poles," he said.

If this assessment holds, analysts say Parti Islam could emerge with the largest number of seats in the Kelantan State Assembly, giving it the right to form the state government.

Editorial Comments on People's Might Manifesto

BK1810134290 Kuala Lumpur NEW STRAITS TIMES in English 16 Oct 90 p 18

[Editorial: "No Such Thing As Free Ride"]

[Text] The election manifesto of the opposition coalition, Gagasan Rakyat [People's Might], promises a "viable and attractive alternative to the ruling coalition". The manifesto is certainly right about one thing—its attractiveness. Among the many giveaways are proposals to abolish road tolls, road tax and television licence fees. Civil servants and military and police personnel will be given interest-free housing, car and motor-cycle loans. The tax structure will be revised to lighten the burden on households. And there will be free medical care for everyone.

Sounds like a festive offer, but like many festive offers, there is a catch to it. The manifesto is wrong about it being "viable". Unless the opposition parties are wizards at juggling figures and producing mountainous wads of money out of a seemingly empty hat, they can only deliver on these promises by burdening the country with a huge debt. There is no such thing as a free ride. Somebody will have to pay.

It is usual to greet promises made during campaigning for an election with a certain amount of polite disbelief, but having done that, people still expect candidates and parties to address issues and problems and indicate a preparedness or an ability to deal with them. They do not expect to be treated as gullible marks who will swallow anything.

The manifesto issued by Pas [Malaysian Pan Islamic Party] has many of the same points made by the Gagasan Rakyat manifesto and it is similarly silent about the financial legerdemain that will allow a substantial reduction in public revenue while increasing the quantity and quality of public services.

So far, only Semangat 46 [Spirit of 46] deputy president Datuk Rais Yatim has gone out on a limb to suggest how this feat is to be accomplished. He claimed that the proposed programmes will be covered by oil royalties and the eradication of corruption in the Government. This position assumes that we are sitting on a limitless sea of oil that can cover the most generous of social programmes without a care for conservation and management of a depleting resource. It also makes a charge of corruption without a shred of substantiation. It is so easy to murmur and mumble about corruption, particularly about prominent or successful public figures. It is another thing altogether to prove that it is more than mud-slinging and character assassination.

Semangat 46 president Tengku Razaleigh Hamzah notes that "politics is the art of possibilities". Yes, but the manifestos issued by the opposition parties verge on improbabilities. The recent public fracas over the imposition of a toll in Cheras must have encouraged the opposition parties to go to town on issues relating to transportation and the cost of travel.

It should first be noted that the authorities are working out alternative arrangements for Cheras in response to the feelings of the people. It should also be noted that, at the moment, about $3.5 billion is spent every year to build roads and bridges. Part of this expenditure is covered by the collection of road tax (which amounts to nearly $1 billion a year). If we are to believe the opposition parties, we can do away with the road tax and the tolls, reduce local and foreign borrowings, and still manage to maintain and improve the transportation infrastructure in the country.

Let us get real. It is like the Pas manifesto proclaiming the worthy intention of formulating new strategies to produce more entrepreneurs, and yet, in its fear of the modern world, it also promises to abolish "unhealthy" activities like the payment of interest in financial transactions. Only the most determined of refusals to acknowledge reality can straddle such a contradiction and insist that the idea will work. People are entitled to listen to the dictates of their religion, but politics involve the governance of real people with real needs and problems. They deserve more than pipe-dreams.

Government Urges Iraqi Withdrawal From Kuwait

BK1810141990 Kuala Lumpur NEW STRAITS TIMES in English 17 Oct 90 p 1

[Text] Kuala Lumpur, Tues—Malaysia has joined Bangladesh, Brunei, Indonesia, the Maldives and Pakistan in calling upon Iraq President Saddam Husayn to withdraw his troops from Kuwait.

In a joint statement, issued by Wisma Putra [Ministry of Foreign Affairs] today, the six countries urged Baghdad to comply with the relevant Security Council resolutions so that the legitimate Government of Kuwait was restored under the leadership of Sheikh Jabir al-Ahmad al-Jabir al-Sabah.

"We commit ourselves to contribute in every way possible to efforts at peacefully settling any outstanding contentious issues between Iraq and Kuwait that may underlie the dispute," the statement said. It said the Iraqi invasion and subsequent illegal annexation of Kuwait had sharply deteriorated the security and stability of the Middle East which had long remained precarious due to the continued Israeli occupation of Palestine and the fighting in Lebanon.

Cambodia

Chea Sim Receives U.S. Humanitarian Group

BK1910100690 Phnom Penh SPK in French 0424 GMT 19 Oct 90

[Text] Phnom Penh 19 (Oct (SPK)—Chea Sim, chairman of the National Assembly and the National Council of the Kampuchean United Front for National Construction and Defense, received in Phnom Penh on Wednesday afternoon Daniel C. Susott, president of the "World Family Hawaii" organization, who is on a mission in Cambodia.

At this meeting, Chea Sim, also member of the party Central Committee Political Bureau, highlighted the comprehensive development achieved by the Cambodian people in the past years, thanks to the efforts displayed by the party and state and the moral and material assistance of fraternal socialist countries and many international organizations throughout the world.

Concerning the process of a political solution to the Cambodian problem, Chea Sim stressed the aspiration of the Cambodian people to live in peace and emphasized the steps the State of Cambodia has taken at the negotiating table to find a political solution to the Cambodian problem.

He said the State of Cambodia has made many concessions to put an end to the Cambodian conflict, but the Polpotists always try to settle the conflict through military means.

He profoundly thanked the "World Family Hawaii" organization for its assistance accorded to Cambodian children.

For his part, Daniel C. Susott expressed his impressions on the development of the State of Cambodia. He informed the Cambodian leader of the results obtained by his organization among the handicapped and among orphans living in refugee camps along the Cambodian-Thai border and stressed the objective of his organization in its current mission in Cambodia.

He also expressed his conviction that relations between Cambodia and the United States will soon be established.

Chea Sim Sends Message on Le Duc Tho's Death

BK1910063790 Phnom Penh Domestic Service in Cambodian 0430 GMT 19 Oct 90

[Text] Recently, Comrade Chea Sim, chairman of the National Council of the Kampuchean United Front for National Construction and Defense [KUFNCD], sent a message of condolences to the Central Committee of the Vietnam Fatherland Front [VFF] over the death of Comrade Le Duc Tho, adviser to the Central Committee of the Communist Party of Vietnam [CPV].

The message reads: On behalf of the KUFNCD and the Cambodian people throughout the country and in my own name, I would like to express my most profound condolences to the VFF Central Committee, the fraternal Vietnamese people, and the bereft family over the death of Comrade Le Duc Tho, adviser to the CPV Central Committee.

Comrade Le Duc Tho was a great son of the Vietnamese people and a leader who was always patient, hardworking, and loyal to the cause of the Vietnamese people's struggle against colonialism, imperialism, and their lackeys for the independence, freedom, and happiness of the Vietnamese people. Comrade Le Duc Tho always preserved the feeling of fraternal solidarity and close cooperation between Cambodia and Vietnam as well as among Cambodia, Vietnam, and Laos in the cause of independence, peace, freedom, and socialism. His death constitutes a loss of an elite son and famous personality for the international communist and workers movement and has caused a great sorrow to the Vietnamese people as well as the Cambodian people and the communists throughout the world.

The KUFNCD National Council throughout the country would like to share this most heartrending anguish with the bereft family.

SPK Reports Military Activities in Pursat

BK1810130390 Phnom Penh SPK in English 0503 GMT 18 Oct 90

[Text] Phnom Penh SPK October 18—In early October, the Armed Forces of Krakor District, Pursat Province (150 km northwest of Phnom Penh) killed four enemy troops and wounded two others in fighting at Kouk Hill located between Pursat and Kompong Chhnang Provinces.

The government troops also seized an anti-tank B-40 rocket launcher, two firearms, one walkie-talkie, and a quantity of ammunition, and destroyed one walkie-talkie and 14 enemy shelters.

In the first nine months of this year, the armed forces of Krakor District wiped out 23 enemy troops, wounded 17 others, seized 142 rifles and one walkie-talkie, and destroyed two enemy bases with 30 underground shelters.

Phnom Penh Forces Mount 'Heavy Offensive'

BK1910014790 Bangkok BANGKOK POST in English 19 Oct 90 p 7

[Text] The Phnom Penh government has mounted a heavy offensive on several fronts within Cambodia to retake territory captured by guerrillas in the past year, guerrilla officials said yesterday. They said the Hun Sen government backed by Vietnamese troops was shipping or flying in arms to remote areas of the country controlled by the Khmer Rouge-led guerrilla coalition. Shelling had already begun on at least three battlefields.

"The initiative has passed back to the government," a non-communist guerrilla said.

Guerrilla officials said government forces had recently been boosted by Vietnamese troops and weapons. The coalition has routinely claimed Hanoi's pullout a year ago was a sham, but officials said this influx was much larger than before. "Only the Vietnamese have the logistics to launch such a big offensive," a non-communist guerrilla said.

It was not possible to independently confirm whether Vietnamese troops were in Cambodia. Some Phnom Penh officials have said privately that there are advisers and several divisions operating at any one time in the country.

Guerrilla officials said the Phnom Penh government was building up slowly towards a large-scale offensive when the monsoon ends in a few weeks. They said rains and rampant malaria had so far limited movement of both sides.

Tonnes of ammunition have recently been shipped from Cambodia's main port at Kompong Som to the capital and then flow west. One guerrilla said the government might also be moving its fighter jets and helicopters from Phnom Penh to the northwestern city of Siem Reap. Road routes to Siem Reap have been cut for the past few weeks. Supplies are instead flown in or shipped upriver from Phnom Penh and across Cambodia's huge Tonle Sap lake, guerrillas said.

Journalists travelling with the guerrillas inside Cambodia said the Khmer Rouge have bulldozed hundreds of kilometres of road through thick jungle to the outskirts of [illegible] city and the neighbouring temple complex of Angkor Wat. But guerrilla officials of the two noncommunist factions said they doubted the Khmer Rouge would attack the city, one of Cambodia's best defended.

"I have seen nothing to indicate the Khmer Rouge has abandoned a political solution," a diplomat said. "Why would they jeopardise that by laying siege to a city."

The Phnom Penh government had also overcome severe logistical problems to launch a three-pronged attack on Pailin, a gem-mining town close to the Thai border that has been held by the Khmer Rouge for the past year.

Refugee workers say hundreds of Khmer Rouge guerrillas in the past month have deserted the area, which is riddled with landmines and heavily infected with malaria. The Khmer Rouge have denied soldiers are deserting the frontline, non-commnunist officials said.

"We want to break up or at least disrupt as much as possible Khmer Rouge positions in several regions, but especially in the centre of the country, notably around Tonle Sap lake," a Phnom Penh official said. "We have noticed a strengthening of their military capacity in several areas recently but we have been unable to confirm whether they are equipped with armoured vehicles," the source said. "We know they have been training on Chinese armoured vehicles in a camp in Thailand close to the northwestern border," the source added.

According to a Soviet expert here, armoured vehicles would not present a serious threat. "The Phnom Penh army, whose operational capabilities have risen in recent months, now have the hardware to counter them," he said. "We do not fear a Khmer Rouge offensive in the region of Siem Reap, even if they use armoured vehicles," the official source said, referring to an area northwest of the lake.

The Soviet Union is the chief supplier of arms to Phnom Penh, and Moscow has affirmed that shipments would stop if countries which supply the resistance, notably China, also ceased deliveries.

"If armoured vehicles are indeed positioned in the country that demonstrates that the Khmer Rouge have no intention of stopping fighting," the Soviet expert said. This could explain diminishing optimism on a swift peace agreement here, which was high after a recent meeting of all the Cambodian factions in Jakarta, he added.

Khmer Rouge Reportedly Attacks Major Base

BK1910022090 Hong Kong AFP in English 1916 GMT 18 Oct 90

[Text] Bangkok, Oct 18 (AFP)—About 200 Khmer Rouge guerrillas have attacked the Phnom Penh Government's main northwest Cambodian artillery base, a Thai military officer said Thursday.

The officer, stationed on the Thai-Cambodian border, said the guerrillas from the Khmer Rouge 405th division had launched the attack Monday against Ban Nimit and supporting firebases in Banteay Meanchey Province, taking advantage of rainy season flooding that immobilized Phnom Penh's armored units. But gunners at Ban Nimit stalled the Khmer Rouge advance across open fields with barrages from heavy artillery and multiple rocket launchers, he said.

Ban Nimit, the Phnom Penh Government's largest firebase in northwest Cambodia, was built by Vietnamese troops before they pulled out of the country one year ago. It controls strategic Highway 5, the main trading route between Cambodia and neighboring Thailand.

Local officials at the Thai border township of Aranyapathet confirmed that the Phnom Penh forces and guerrillas exchanged heavy artillery fire Tuesday night, but said the number of casualities was not known.

Thai troops on Wednesday erected barbed-wire fence along the border to prevent Thai traders from entering into dangerous battle zones in Cambodia and to stem cross-border smuggling.

SRV Condemned for Escalating 'Aggression'

BK1910041590 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 18 Oct 90

[Statement of the Foreign Ministry of the National Government of Cambodia—read by announcer]

[Text] 1. The Hanoi authorities have increased and are increasing the number of their aggressor forces on their battlefield of aggression in Cambodia. The facts are as follows:

First, the Hanoi aggressors sent one group of fresh troops after another to Cambodia according to a plan the Hanoi authorities have worked out since August 1990, even before the 10 September Jakarta agreement. So far, three divisions of fresh Vietnamese aggressor troops have already been brought into Cambodia. Of these three divisions, two-thirds have been dispatched to Battambang Province to defend the railroad and National Route 5 south of Battambang town and Route 10 west of there, especially in a bid to retake Pailin. The other third has been spread out among various battlefields in Cambodia in support of their puppet lackeys.

Second, the Vietnamese and the Hun Sen-Heng Samrin group of the Phnom Penh faction are intensifying fascist acts in forcing the people and their children to become soldiers and militiamen to escalate the Vietnamese war of aggression in Cambodia.

Third, since September 1990 the Vietnamese and the Hun Sen-Heng Samrin group of the Phnom Penh faction have successively launched military activities on every battlefield throughout the country, especially in Battambang Province, on Route 10 west of Battambang town, and in Kompong Cham and Kompong Thom.

2. These acts, conducted concurrently with diplomatic proceedings by the Vietnamese aggressors and the Phnom Penh faction, undermine the framework document of the five permanent members of the UN Security Council, the Jakarta joint communique of 10 September 1990, and Resolution 668/90 of the UN Security Council. All these acts clearly show the aggressor Hanoi authorities stubbornly refuse to end their war of aggression in Cambodia.

3. The Foreign Ministry of the National Government of Cambodia sternly denounces and condemns the Hanoi authorities for escalating their war of aggression against and occupation of Cambodia. The entire Cambodian people absolutely refuse to let the aggressor Hanoi authorities and the Phnom Penh faction do as they please. The entire Cambodian people are determined to join actions with all national resistance forces to crush the war of aggression of the Hanoi authorities until the latter agree to end their war of aggression in a comprehensive political solution in total conformity with the framework document of the UN Security Council's five permanent members.

4. The Foreign Ministry of the National Government of Cambodia appeals to all friendly countries, near and far, to seek by all means to prevent the Hanoi authorities and Phnom Penh factions' maneuver to sabotage the document of the UN Security Council's five permanent members and the Jakarta joint communique and force them to respect and implement all these documents unconditionally.

[Dated] 18 October 1990

VONADK Carries Battle Report for 5-7 Oct

BK1810055090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Oct 90

["Daily Report From Various Battlefields"]

[Text] Preah Vihear battlefield:

Choam Khsan District: On 5 October our national resistance forces [NRF] blocked with obstacles and mines a 3,000-meter stretch of Road 12 between O Chheuteal and Svay Chrum. The next day, when the Vietnamese enemy and puppets came out to clear the obstacles, they stepped on our mines, which killed two and wounded three enemy soldiers. On 7 October our NRF dug 12 holes on Route 12 at O Chheuteal; each hole is a meter deep with a two-meter diameter.

Kompong Thom battlefield:

Santuk District: On 6 October our NRF attacked and dismantled Vietnamese enemy and puppet administrative networks in six villages: Krayea, Krayea Tuol, Ta Minh, L'ak, Trapeang Pring, and Tuok in Krayea Commune. We freed 10 local officials who had been forced to serve the Vietnamese enemy and puppets and seized two SK rifles.

Kompong Svay District: On 6 October our NRF attacked the Vietnamese enemy and puppets at Cheay Sampeou village. We killed two enemy soldiers and wounded one. On 7 October our NRF attacked the

Vietnamese enemy and puppets at Chey and Mahar villages, where we killed two and wounded three enemy soldiers.

Stoung District: On 5 October our NRF attacked the Vietnamese enemy and puppets at Andong Tranh village, where we killed three enemy soldiers and wounded one. On 6 October our NRF ambushed two companies of Vietnamese enemy and puppet troops near Chambak Panh-nha. We killed one enemy soldier and wounded two.

In sum, our Cambodian NRF killed or wounded 62 enemy soldiers;took 22 prisoners; destroyed 15 weapons, a truck, and some war materiel; attacked a township and a battalion position; dismantled administrative networks in six villages; blocked 3,000 meters of road; seized 104 weapons and a quantity of war materiel; liberated five villages, and freed 36 youths and village officials.

Sihanouk Forces 'Control' Kouk Mon Position

BK1910055290 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 19 Oct 90

[Text] The National Army of Independent Cambodia [NAIC] took control of the Kouk Mon position, a major position of the Vietnamese-Heng Samrin in Oddar Meanchey Province on the morning of 9 October and also seized two tanks and one 120-mm artillery piece after launching a two-day assault on the position.

The report from the NAIC General Staff in the 2d, 5th, 7th, and 26th Divisions, which launched an offensive to seize the Kouk Mon position, completely controlled this position at 0615 this Friday morning. In the attack, NAIC combatants seized two tanks, a 120-mm artillery piece, and a 76.2-mm machine gun. The report did not yet reveal the loss of lives in this battle but said that details will be reported later.

Indonesia

AFP Says PRC Approves Indonesian Ambassador

BK1810160490 Hong Kong AFP in English 1553 GMT 18 Oct 90

[Text] Jakarta, Oct 18 (AFP)—China has approved Jakarta's proposed candidate, Abdurrahman Gunadirja, as ambassador of Indonesia in Beijing, Foreign Minister Ali Alatas said here Thursday.

Mr. Gunadirja, 64, is a Sinologist who currently heads the Foreign Ministry's School of Foreign Affairs. He served in Beijing as first secretary in 1963, when bilateral ties were at their closest under Indonesia's first president Sukarno. Indonesia and China resumed diplomatic ties in August, 23 years after Jakarta froze them, accusing Beijing of complicity in a failed coup attempt here in 1965.

Mr. Alatas did not say when Mr. Gunadirja would take up his new post.

State Secretary Murdiono said later Thursday Mr. Gunadirja would be officially appointed by President Suharto before the head of state makes his first ever visit to China next month. Mr. Suharto is scheduled to make a five-day visit to China after attending the enthronement of Japanese Emperor Akihito and before a three-day visit to Vietnam, officials here said.

Mr. Alatas declined to name Beijing's candidate for the Chinese ambassador here. Press reports here have said that he could be Qian Yongnian, a senior diplomat who last served in Washington.

The Chinese opened a temporary embassy here headed by Charge d'Affaires Liu Xiensheng, earlier this month.

Subroto Says Pacific Rim Holds 'Key' on Oil

BK1710124490 Jakarta ANTARA in English 0911 GMT 17 Oct 90

[Text] Jakarta, Oct 17 (OANA-ANTARA)—There is no doubt that the countries of the Pacific rim, with their actual and latent dynamism, hold the key to oil demand growth in the future, OPEC Secretary General Subroto said here Wednesday.

In a conference on Megatrends—Asia Pacific Outlook Towards the Year 2000—taking place here from October 16-18, 1990, Subroto considered the oil demand growth in the region from parallel upstream and downstream actitivities, such as intensive onshore and offshore exploration, development of discovered oil and gas fields, as well as expansion of downstream refinery and related industries.

This is taking place already, he said, adding that new producers like Vietnam and Papua New Guinea may be expected to enter the market soon, while Indonesia introduced new incentive programs last year, with the result that exploration is surging ahead.

Subroto, a former mines and energy minister of Indonesia, in his paper on the global petroleum market, said that it is impossible today to talk about oil demand growth in the world without thinking of the countries of the Asia Pacific region, whose economies have experienced spectacular growth in the last decade or so.

The region, stretching from New Zealand to Japan, unquestionably offers the best potential for growth in oil consumption, he added. He further said that Japan's economic success began to filter through to Japan's Pacific neighbours such as South Korea, Taiwan and Singapore, and lately to Thailand, Malaysia, and Indonesia, so that these countries' economies are now growing rapidly also, as is their consumption of oil.

The question is for how much longer can this growth continue, and what are the general prospects for oil consumption in the region, he said.

According to Subroto, the mature economies of Australia and New Zealand are unlikely to exhibit rapid growth in oil consumption, since the growth in their economies does not lie in energy-intensive heavy industry, and much of their electricity generation has moved away from oil-fired power stations.

Japan's economy is, of course, well-developed, but—and it seems a paradox in a nation that is fast becoming the world's most important exporter of cars—the private ownerships of motor vehicles in Japan is relatively low. But if this were to change in the nineties, then we could see a dramatic increase in the demand for motor gasoline in Japan, he said.

But bottlenecks are beginning to appear in these countries, and this is likely to limit the growth in oil demand until they are dealt with, he explained. Nevertheless, the potential for increased use and ownership of motor vehicles is even greater in these countries than in Japan, he continued.

In the case of the industrializing countries of the region, Subroto believed that the potential for growth in oil demand during the nineties is much more varied, with some countries notably Thailand, Malaysia, Indonesia and the Philippines benefiting from very high industrial investment by the Japanese. However, he continued, all of the less-industrialized countries are faced with certain serious problems, including foreign debt, population pressure and unskilled labour.

On the other hand, if they can overcome these problems, their potential for growth in the nineties is highly promising. It is vital, therefore, that their growth in oil demand should not be suffocated at birth by persistently high prices for the one fuel that can power their industrial take-off, he said. Officially opened by President Suharto, the three-day conference presents a number of prominent speakers such as Junior Trade Minister J. Sudrajat Biwandono and Stein Hansen of the Asian Development Bank.

School Incidents Lead to Arrests in East Timor

BK1910124390 Hong Kong AFP in English 1216 GMT 19 Oct 90

[Text] Jakarta, Oct 19 (AFP)—Indonesian security forces have arrested about 20 people in the past 10 days in the East Timor capital, Dili, Western diplomats said here Friday. They said the arrests followed incidents in two secondary schools on October 8 and Monday in the capital of East Timor, a former Portuguese colony forcibly annexed by Jakarta in 1976. The arrests were made in the daytime at the schools and at night in various sections of Dili, they added.

On October 8, diplomatic sources said, security forces came to a school where the students were heckling the area's public prosecutor who had come to give a course on Indonesia's state ideology, known as Pancasila. One student was wounded, and several were arrested and the school was closed for three days.

On Monday, Indonesian police and soldiers were summoned to a second school where, according to diplomats, "a subversive text" was found. A policeman was seriously wounded during the operation. Some students were arrested and the school has closed for one week.

A total of about 20 arrests were made at the schools and in various parts of Dili, where police and soldiers were still making sweeps at night.

Assembly Considers Limiting Presidential Term

BK1510092590 Hong Kong AFP in English 0711 GMT 15 Oct 90

[Text] Jakarta, Oct 15 (AFP)—The People's Consultative Assembly (MPR), in a major departure, has accepted proposals to debate limiting the number of terms an Indonesian president can serve, press reports said Monday.

MPR Chairman Kharis Suhud, who is also speaker of parliament (DPR), was quoted by the local press as saying the idea would be considered in drafting the state policy guidlines for 1993, when the next president will be elected. Mr. Suhud said, however, that any decision on the issue would be taken by the MPR to be formed after the 1992 general elections.

Observers said Mr. Suhud's remarks reflected growing pressures to set a constitutional limit on the length of time a president can serve, starting in 1993 when President Suharto ends his fifth five-year term. A group of scholars from prestigious Gajah Mada University last week suggested the MPR impose a maximum limit of two terms, a plan similar to that proposed by a group of dissident leaders in August who also urged the 69-year-old Mr. Suharto to step down in 1993.

The MPR is Indonesia's highest legislative body which elects the president every five years and drafts as well as endorses the state policy guidelines. It comprises 400 members from the three political parties elected to the DPR and 600 presidential appointees from the military and provincial organisations and public figures.

In the past, calls to restrict the terms of the president have been brushed aside by parliament which said that the Constitution did not stipulate any limitation and that to do so amounted to taking sovereignty away from the people.

DPR Deputy Speaker Suryadi told the Indonesian press on Saturday that the idea of limiting the presidential term should be floated in public to see whether or not there was genuine support for it. Mr. Suharto has been re-elected virtually unopposed for four consecutive times since he first came to power in 1967 after he led the army in crushing an abortive communist coup in 1965. The former general has not indicated his intentions after 1993 but said in a biography published last year that his 1988 election could be his last because of his advancing age.

His predecessor Sukarno, Indonesia's first president since independence in 1945, was voted president for life by the MPR in 1963, but he was disgraced in 1967 for failing to condemn the coup attempt.

House Speaker Warns Against Communist Revival

BK1510155490 Jakarta Domestic Service in Indonesian 1500 GMT 15 Oct 90

[Text] House Speaker Kharis Suhud says people must still be vigilant to the activities carried out by remnants of the PKI [Indonesian Communist Party] because there may be a revival of communism if given a chance. Speaking when he received a book entitled: "The PKI Massacres and Adventures in Madiun" written by a team of JAWA POS journalists this afternoon in Jakarta, Kharis Suhud said the younger generation must be made to understand the cruelties committed by the PKI as a warning to these young people.

Kharis Suhud also warned against the PKI revival for the third time after the Madiun Incident in 1948 and the PKI-backed 30 September Movement coup attempt in 1965.

Laos

Kaysone Phomvihan Addresses Trade Conference

BK1910042290 Vientiane Domestic Service in Lao 0000 GMT 19 Oct 90

[Text] Yesterday in Vientiane, the first nationwide conference on trade and tourism was officially opened with the participation of more than 300 delegates from all ministries, some enterprises at the center, and from the provinces and municipalities, state and private business units, and a number of trading and agricultrual promotion partnership companies.

Attending the opening of the meeting were Kaysone Phomvihan, general secretary [of the Lao People's Revolutionary Party Central Committee] and chairman of the Council of Ministers; Nouhak Phoumsavan, chairman of the Supreme People's Assembly; Phoumi Vongvichit, acting president of state; members of the party Central Committee Political Bureau; members of the party Central Committee; and many ministers and deputy ministers.

In addition to hearing reports on the trade and tourism situation in the past as well as the immediate and long-term orientation and plans, on the first day of the meeting the delegates to the conference also heard Kaysone Phomvihan give a statement briming with profound contents. For instance, Kaysone Phomvihan touched on the views, objectives, and primary tasks of trade and tourism work in the new period.

Throughout this conference, the delegates will consult with one another in assessing the trade and tourism situation in the past and in trying to seek ways to take trade work into a new dimension and to make it a genuine link in transforming the seminatural and natural economy into the goods economy.

Sisavat Keobounphan Returns From DPRK 18 Oct

BK1910090190 Vientiane Domestic Service in Lao 0000 GMT 19 Oct 90

[Text] At noon yesterday, the high-level party-state delegation of the Lao People's Democratic Republic [LPDR], led by Sisavat Keobounphan, member of the Political Bureau and secretary of the party Central Committee who is also the secretary of the party committee and chairman of the administrative committee of Vientiane Municipality, arrived back home after attending the celebration of the 45th founding anniversary of the DPRK, which was grandly heled in Pyongyang, the DPRK.

Welcoming the delegation at Wattai airport were Oudom Khatthi-gna, alternate member of the party Central Committee Political Bureau; members of the party Central Committee; ministers and deputy ministers; and high-ranking cadres concerned. Chang Yong-chun and Liang Feng, respectively ambassadors extraordinary and plenipotentiary of the DPRK and the PRC to Laos, were also on hand at the airport to welcome the delegation.

On the same day, the delegation of the Lao People's Revolutionary Youth [LPRY] Union Central Committee led by Mrs. Thongvin Phomvihan, member of the party Central Committee and secretary of the LPRY Central Commitee, also returned to Vientiane after attending the same celebration at the invitation of the Korean socialist youth organization.

Phoumi Vongvichit Receives SRV Delegation

BK1810100290 Vientiane KPL in English 0859 GMT 18 Oct 90

[Text] Vientiane, Oct 18 (KPL)—Phoumi Vongvichit, acting president of the Lao PDR [People's Democratic Republic], president of the Lao Front for National Construction, yesterday afternoon received a visiting delegation of the Fatherland Front of the Socialist Republic of Vietnam led by its vice-president, Pham Van Kiet.

The acting president on the occasion talked to his guest about the development of special friendship, solidarity and all-round cooperation between Laos and Vietnam, stressing on expanded cooperation and exchange of experiences between the fronts of the two countries.

On the same day afternoon, Bolang Boualapha, vice-president of the Central Lao Front for National Construction, and his Vietnamese counterpart, Pham Van Kiat, signed an agreement on bilateral cooperation to promote and strengthen the special friendship, solidarity and all-round cooperation between the fraternal Lao and Vietnamese peoples.

The Vietnamese delegation returned home today, ending its 8-day working visit to Laos.

Exchange Note on Aid Grant Signed With Japan

BK1610123690 Vientiane KPL in English 0857 GMT 16 Oct 90

[Text] Vientiane, Oct 16 (KPL)—A note of exchange on grant in aid worth 400 million yen (Japanese currency) from the Japanese government to Laos for 1990 was signed here on October 15.

The grant which includes vehicles and equipment will be used within the project of agricultural promotion in some Lao concentrated provinces, such as: Champassak, Saravane, Savannakhet, Khammouane, Bolikhamsai, Vientiane Prefecture and Province.

The signatories to the note were Mr. Souban Salitthilat, deputy Lao foreign minister, and Mr. Shigemi Ando, ambassador extraordinary and plenipotentiary of Japan to Laos.

This year, the Japanese Government has provided assistance to many projects in socioeconomic development in Laos. These include three large projects.

The project for rural agriculture development in Vientiane Prefecture, worth 1,074 million yen, consists of an irrigation system from KM-6 to Tha Ngon plain. Another project is the machinery repair at Nam Ngum Dam, phase 2, worth 396 million yen. The last one is an agreement on 166 million yen loan excemption for Nam Ngum Dam for the first half of 1990.

The Japanese Government will, up to the end of 1990, continue to render aid to the Lao PDR [People's Democratic Republic] in many other projects. These include (?additional) aid following the recent visit to Laos by Mr. Taro Nakayama, Japanese foreign minister.

Lao-Palestine Association Condemns 'Massacre'

BK1810130890 Vientiane KPL in English 0918 GMT 18 Oct 90

[Text] Vientiane, Oct 18 (KPL)—The Lao-Palestine Friendship Association issued on October 15, a statement condemning the savage massacre committed on 8th October 1990 by Israeli soldiers against Palestinian civilians at Al-Aqsa Mosque in occupied Jerusalem. This should be considered as one of the bloodiest and the most barbaric crimes committed by Israeli settlers and soldiers against defenceless Palestinians since 1967, the statement said.

The association demands that an end be put forthwith to the massacre by its perpetrator and expresses solidarity with and support for the Palestinian people whose just and heroic struggle for the recovery of their inalienable right (self-determination and establishing of the Palestinian independent state with Jerusalem as its capital) will ultimately be crowned with victory. It also strongly condemns Israel for its failure to comply with relevant United Nations resolutions including the latest Security Council resolution which has permitted the UN secretary general to send a mission with a view to investigating the 8th October bloody event.

Leaders Receive Messages of Thanks From PRC

BK1810102990 Vientiane KPL in English 0902 GMT 18 Oct 90

[Text] Vientiane, Oct 18 (KPL)—Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee, chairman of the Council of Ministers of the Lao PDR [People's Democratic Republic]; Phoumi Vongvichit, acting president of the Lao PDR; and Nouhak Phoumsavan, president of the People's Supreme Assembly of the Lao PDR, have recently received a joint message of thanks from their respective counterparts of the People's Republic of China.

The message expressed thanks for the Lao leaders' joint message of greetings sent to the Chinese leaders on the occasion of the 41st founding anniversary of the PRC. It also wished the friendship between the Lao and Chinese peoples be further consolidated and developed.

On the occasion, acting President Phoumi Vongvichit and Foreign Minister Phoun Sipaseut also received a separate message of thanks respectively from the president of the Chinese People's Political Consultative Conference, and the foreign minister of the PRC.

Agriculture Minister Marks World Food Day

BK1710135690 Vientiane KPL in English 0932 GMT 17 Oct 90

[Text] Vientiane, Oct 17 (KPL)—The Ministry of Agriculture and Forestry held here on October 26, a ceremony with a large participation of senior Lao officials and foreign envoys here to mark the 10th World Food Day anniversary, October 16, 1990.

Mr. Inkong Mahavong, minister of agriculture and forestry, and the FAO's [Food and Agricuture Organization] acting representative to Laos were speakers to the ceremony. They both highlighted the significance of the event and the food solution in the world which are closely associated with the environment and the natural resources.

Besides, they stressed on the environmental degradation in many corners of the world, resulting in a negative change in the climatic and soil conditions with regular natural disasters. These caused each year tremendous losses and damages to properties and human lives.

From this view, therefore, they said such a situation required that each country committed itself to mutual efficient assistance and cooperation to save the environment and the nature [for] the next generation.

Speaking of the food situation over the past 15 years in Laos alone, Inkong Mahavong pointed out the agricultural and livestock growth rates. The rice production was up by 2.3 times, maize by 2.7 times, soya beans by 2.6 times, coffee by 1.9 time, water buffaloes by 1.6 time, oxen by 2.6 times, pigs by 1.9 time, and poultry by 2 times.

In 1990, he said, the total rice harvest is estimated at 1.5 million tonnes, a seven percent increase against last year.

Also on the occasion, a message of FAO's director-general was read out to the audience. The message described the future food development and the population growth in the world under the theme "Food for the Future" selected for the 10th observance of World Food Day.

Philippines

Aquino Urges ASEAN Unity Amid Gulf Crisis

HK1810143090 Manila Radio Veritas in Tagalog 1300 GMT 18 Oct 90

[Text] President Aquino urged the ASEAN nations to strengthen their unity and economic cooperation amid the Gulf crisis.

In her speech at the opening of the ASEAN agriculture and forestry meeting, the president said the Persian Gulf conflict has affected the ASEAN nations. She said the best thing ASEAN can do is to maintain strong cooperation.

The president hinted at another oil price hike. The ASEAN has a petroleum security agreement.

Joint Use of Clark 'Could Start' Next Jan

HK1910014990 Manila Far East Broadcasting Company in Tagalog 0100 GMT 19 Oct 90

[Text] Philippines and U.S. joint use of Clark Air Base could start January next year. Yesterday, Foreign Affairs Secretary Raul Manglapus said that the two countries' technical committees discussed the implementing procedures and operational regulations for the base's joint use. He cited the government's main objective, which is to convert the base's use for civilian or commercial purposes, and that this will not suspend the U.S. airlift command's operations. However, he said that dismantling is not yet on the agenda because the military bases agreement is still open to discussion.

Possible Retention of Subic Base Indicated

HK1910023590 Manila BUSINESS WORLD in English 19 Oct 90 pp 1, 8

[By reporter Jose G. Ebro]

[Text] The growing realization that conversion plans for Subic will not guarantee a minimum of economic dislocation will force the Philippines to allow the United States to keep its facilities in Subic, Foreign Affairs Secretary Raul Manglapus has indicated.

"That is why we have taken that position. We want Clark back but we are entertaining proposals on Subic," he said yesterday at a press conference. Clark could be converted to commercial purposes relatively quickly but a conversion of Subic would take close to 10 years to fully implement, various experts agree.

While "we want to take over Clark at the end of the current agreement (on Sept. 16, 1991)...we are hoping that the idea of joint use or combined use between the Philippine Air Force and the U.S. Air Force could commence as early as January," Mr. Manglapus said.

There are indications that acquiescence by the United States towards an early sharing of Clark could translate into Philippine willingness to let a significant U.S. military presence remain at the installation.

"Our objective," Mr. Manglapus said, "is to civilianize the entire operation in the area immediately upon termination of the current agreement. That will...not exclude an arrangement allowing them to operate their military airlift command on a commercial basis," Mr. Manglapus said.

With the Philippines "willing to talk about Crow Valley," Mr. Manglapus was asked where foreign fighter aircraft which train at Crow Valley were expected to land. He replied: "They can land in Subic. They can take off from aircraft carriers." The Americans said they would like to maintain a fighter squadron or two at Clark aside from the MAC flights.

The next round of Philippine American Cooperation Talks were supposed to have begun yesterday, a month after the first round. Now, Mr. Manglapus says "early November seems more likely." Sources said the talks could start the "week of November 5...as we would like President Aquino to be around at the time." Mrs. Aquino is set to go to Tokyo for the enthronement ceremonies of Emperor Akihito on November 11 and 12.

Despite the late start, Mr. Mangalapus remained optimistic "that our timetable does not need to be altered...we can come up with a treaty of friendship, cooperation and security by January." He described the recent polled upsurge of pro-bases sentiment as an immediate effort of man-made and natural disasters (ME [Middle East] crisis, the earthquake).

Clearance Granted for Antibases Documentary

HK1910100190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 19 Oct 90

[By Cesar Chavez—italicized portions in English]

[Text] The Movie and Television Review and Classification Board [MTRCB] has approved the telecast of a movie entitled: Dear Sam, Sincerely Yours, Juan. The board's decision was issued after Executive Secretary Catalino Macaraig Jr gave a clearance last Wednesday. MTRCB chief Manuel Morato said the MTRCB was not responsible for the banning of the antibases documentary film which was supposed to be shown on television.

Earlier, the Ateneo de Manila University Center for Social Policy, which produced the film, scheduled a showing on television for 21 September, anniversary of martial law and a time when the bases negotiations were at their height. According to the producer of the documentary film, the MTRCB banned the showing of the film because all its board members are pro-America.

Morato, meanwhile, said that according to the law, the film should be submitted 10 days before the scheduled show for classification. But the Ateneo Center for Social Policy submitted its documentary film on 17 September, three days before 21 September.

In a hearing by the Senate committee on public information and mass media, Morato explained why he requested to cut some portions of the documentary film:

[Begin Morato recording—in progress]..*where there are no bases and all over the world there are prostitutes. But you know they can articulate this on television but they cannot show it graphically.* We don't allow that. *And the problem here is that it would set a precedent with the local industry.* [Sentence indistinct]. They will imitate this and if we try to stop them, they will fight back citing the clearance we would have given to Dear Sam. *It's going to set a precedent and we will be accused of inconsistency.* So, you should look at our position. That was what happened. *There was no cause for panic reaction. I think that what caused the delay on this from higher authority was the fact that Secretary Manglapus was in the United States. He's out of the country and he just arrived last Saturday. And maybe they probably consulted him on Monday and on Wednesday, I got the permission to grant the permit.* [end recording]

Resold Oil Fails To Raise Supply of Dollars

HK1810041390 Manila THE MANILA CHRONICLE in English 18 Oct 90 p 3

[By staff member Redempto Anda, with a report from Bert Castro]

[Text] The Government's $320,000 profit from the sale of about one million barrels of oil to firms British Petroleum and J. Aaron failed to make a significant impact on the country's dwindling dollars.

Rolando Galang, vice president of the Philippine National Oil Company (PNOC), told the House energy committee yesterday that the state-owned firm was uncertain it could still avail of the programmed oil importations this year since the Central Bank won't be able to support the transaction.

In fact, the oil company was forced to reexport the oil it negotiated with the French oil firm Total and the U.S.-based Philips Brothers on advice of the Central Bank, he said.

"When we were told that the Central Bank did not have enough foreign exchange to cover the transaction, we had no choice but to sell the supply to other foreign firms," Galang said. He did not say how much the company sold the imported oil but said it earned an average of $0.32 per barrel.

As a result, the sale instead reduced the country's projected year-end inventory from the 90-day level to only 80 days, he said.

Unless the government can ensure a steady supply of dollars especially to oil firms, its earlier promise of an adequate supply until April might not be met, Galang said.

"Today we are still not sure if we will be able to pay for the lifting of the oil supply assured of us by the governments of oil-producing countries," he said.

Through the efforts of Foreign Affairs Secretary Raul Manglapus and PNOC president Manuel Estrella, the country was able to arrange with Saudi Arabia, Malaysia and China for a maximum oil stock of 110,000 barrels a day on a "government to government basis."

Manglapus and Estrella hammered out the agreement following Iraq's invasion of Kuwait. But without the dollars needed, "we may have to reduce importation of the prearranged volume or even give it up," Galang said.

If this takes place, the country's inventory will be scaled down to a level significantly lower than the April 1991 expectation, he added.

Sen Ernesto Maceda is expected to bolster with facts and statistics his petition asking the Supreme Court to order a rollback of fuel prices during the scheduled full court hearing today.

The court also invited the officials of the Energy Regulatory Board and representatives of the top oil firms in the country to defend the recent oil price increase. It was the energy board which granted the demands of four oil firms to raise fuel prices by an average P1.42 [Philippine pesos] per liter on Sep 21.

Maceda questioned the board's decision, arguing it had not consulted the public. He added that the increase benefitted only the oil companies, including the government-owned PNOC.

The three oil firms had petitioned for another price increase, citing the upward trend in the world market. The other firms were Pilipinas Shell and Caltex, Philippine.

Conservation Program To Combat Oil Crisis

HK1810054390 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 18 Oct 90

[Text] President Aquino and her Cabinet approved gas rationing and 10 percent oil consumption cutback schemes in response to an imminent oil crisis. Malacanang will also ask Congress to grant the president emergency powers in order to implement these measures. Mrs. Aquino said any further oil hike will be decided by the Energy Regulatory Board. Her Cabinet will also study Justice Secretary Franklin Drilon's appeal to oppose the oil firms' petition for a new round of oil price hikes until the end of this year. The Executive Department and the president agreed to launch a comprehensive energy conservation program that would protect foreign exchange funding support for oil importation and for oil firms not to exceed traditional market areas.

Energy Shortage Bill Certified as 'Urgent'

HK1810094790 Manila Radio Veritas in Tagalog 0900 GMT 18 Oct 90

[Statement by President Corazon C. Aquino as read by Press Under Secretary Horacio Paredes; in English—live or recorded]

[Text] At the Cabinet meeting yesterday on the recommendation of the Energy Operations Board, we decided to certify as urgent the bill of Congressman Herminio S. Aquino entitled: An Act To Institutionalize Energy Conservation and Enhance Efficient Use of Energy. That bill contained Section 6, a provision entitled: Grant of Reserve Power, to empower me in times of critical energy supply, to issue orders directing the adoption of fuel allocation or rationing and other stringent energy measures.

This is what led to the view that I would seek emergency powers from Congress to allow fuel rationing. Actually, it is a comprehensive legislation and that fuel conservation at Section 6 would partly confirm some of the powers I have to effect fuel rationing. And Section 8 would provide for penalties.

As to the Filipinos in the Middle East, evacuation continues. Should it be necessary for the government to commit more resources for the evacuation operations, we will be ready to do so again.

Court: No Oil Price Hike Until Petition Heard

HK1810102190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 18 Oct 90

[By Cesar Chavez]

[Text] The Supreme Court upheld Senator Ernesto Maceda's motion that it was not proper to enforce an oil price hike until the court has ended its hearing on the senator' petition for the rollback of the 21 September oil price increase. The Supreme Court's decision was issued today at a hearing attended by the senator. According to Maceda:

[Begin recording in English] As I said, thank God for little victories. First, the fact that they had immediately scheduled a hearing even before the oil companies have given their answers show that the Supreme Court is impressed by the importance and urgency of the petition. Secondly, when the solicitor general requested for time, precisely to submit their answers to the principal petition, it was granted subject to a condition that in the meantime until the case is heard, no oil price increases will be effected by the ERB [Energy Regulatory Board]. [end recording]

Maceda also said that there may not be an oil price increase this year while the hearing on his petition is not finished.

Adviser Urges Convening of Security Council

HK1810144790 Manila Radio Veritas in Tagalog 1300 GMT 18 Oct 90

[Text] National Security Adviser Rafael Ileto urged the convening by President Aquino of the National Security Council to discuss the Middle East conflict and the continuous oil price increase. If this materializes, Aquino will be meeting with Vice President Salvador Laurel and Senator Juan Ponce Enrile. If the president wishes to expand the members, the leaders of the Senate and House may also be included.

Meanwhile, Ileto proposed the separation of the National Security Council [NSC] and National Intelligence Coordinating Agency [NICA] from the Department of National Defense. The NICA and NSC, he said, can be placed under the president's Office. Ileto appeared before the House committee on intelligence and security.

Aquino To Convene Meeting

HK1910051790 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 19 Oct 90

[Text] Next week President Aquino will convene the National Security Council [NSC] and discuss the implications of the worsening Middle East crisis as well as to draft policies that would ensure national security and stability. National Security Adviser Rafael Ileto recommended the NSC meeting due to the worsening Gulf crisis. Presidential spokesman Adolf Azcuna said the president agreed to coordinate with Vice President Salvador Laurel in order to resolve the present problems. Azcuna added that the president's move is in response to a Davide fact-finding commission recommendation that an NSC meeting was one way of averting another coup.

Proposal for PAP Session in U.S. Rejected

HK1910102390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 19 Oct 90

[Text] Malacanang rejected a proposal to hold the next Philippine Assistance Program [PAP] pledging session in Washington DC to avoid speculations linking the aid to the military bases issue.

According to Finance Secretary Jess Estanislao, the session may be held in Hong Kong or in Paris. The second part of the pledging session was earlier scheduled last month but was postponed for November and may again be postponed until January next year. This is because the donor-countries want the Philippine government to take appropriate steps to reduce its budget deficit.

ADB Freezes Manila's Loan Applications

HK1910025390 Manila MANILA BULLETIN in English 19 Oct 90 p 29

[By Ernesto Tolentino]

[Text] The management of the Asian Development Bank (ADB) has reportedly ordered the suspension on the processing of a number of financial assistance requests sought by the Philippines.

The freeze order, which affected some $803 million in project loans being considered for the country, stemmed from the growing concern among ADB officials on the perceived change in the Philippine government's policy on the management of its foreign debt, ADB source said.

They added that the recent decision by the International Monetary Fund (IMF) and World Bank (WB) to temporarily hold back the grant of further assistance to the Philippines was also partly responsible for the ADB decision.

Both the IMF and WB have demanded that the Philippine government draft and submit to them a revised economic program as a pre-condition for considering the country's request for more assistance.

In consultations held last month in Washington, D.C., IMF and WB officials also informed the Philippine government to pursue structural reforms and programs set out in the memordandum of economic policy (MEP) that it prepared in 1988-1989.

ADB's concern on the possible radical change in the Philippine approach to its foreign debt problem was heightened by the "pressure being applied on the Aquino administration to opt for a condonation on the country's outstanding interest obligations and a moratorium on the servicing loan principals," sources said.

They specifically pointed to the recent move by the Senate to effect a substantial cut in next year's budget through a "zero budget formula" designed at reducing, if not eliminating, the allocation for debt service.

According to the sources, failure by the Aquino administration to immediately come up with a clarification that it "would stick to its present foreign debt management strategy, and would pursue the reforms it agreed to with the IMF/WB, could delay approval of the project loans and other, possible assistance."

The $803-million assistance affected by the freeze order were designed to finance 10 major infrastructure projects and programs of the government scheduled for launching next year.

Included among these were the $200-million sixteenth power (Masinloc) program: $140-million fifth road transport program; $100- million earthquake reconstruction assistance, and the $100-million road and road transport program.

Five Aspirants Say Aquino Should Finish Term

HK1810053390 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 18 Oct 90

[Text] For the first time five presidential aspirants for 1992 held a meeting and unanimously agreed President Aquino should finish her term. They also assured a constitutional transition in 1992. Vice President Salvador Laurel, House Speaker Ramon Mitra, Jr., Senate minority leader Senator Juan Ponce Enrile, Senator Joseph Estrada, businessman and former Ambassador Eduardo Danding Cojuangco attended the informal meeting. They brought in a dinner prepared by INQUIRER columnist Nene Cacho-Olivares. Senate President Jovito Salonga and Miriam Defensor Santiago failed to attend.

Aquino on Growing Presidential Aspirants List

HK1910023990 Manila MANILA BULLETIN in English 19 Oct 90 pp 1, 18

[By Fred Lobo]

[Text] President Aquino welcomed yesterday the growing list of presidential aspirants for 1992 and their expressed commitment to the electoral process as provided in the Constitution. Mrs Aquino said that qualified aspirants should be encouraged to seek the presidency and to commit themselves strongly to the electoral process.

The President issued the statement following the meeting of five presidential aspirants who made a covenant to support the holding of presidential elections in 1992.

"We encourage them and other qualified aspirants to aspire for the position and to commit themselves even more strongly to the electoral process as the only path to political change," she said.

Among the presidential aspirants who met the other day and forged a covenant supporting the 1992 electoral process were Vice President Salvador Laurel, Speaker

Ramon Mitra Jr, Senators Juan Ponce Enrile and Joseph Estrada, and businessman Eduardo Cojuangco.

Other personalities mentioned as possible presidential candidates are Senate President Jovito Salonga, Defense Secretary Fidel Ramos, Sen Aquilino Pimentel, and Miriam Defensor Santiago who topped a recent survey in Metro Manila conducted by the Ateneo Social Wealther Station.

Mrs Aquino has left to speculation the issue of whether she will seek another term or not. She has repeatedly said that she is not running but she recently remarked that those who think of her as a lameduck president "may have another think coming." Aquino supporters said the president may feel compelled to run again if the situation calls for it.

Labor Unions Meet To Plan Nationwide Strike

HK1910052390 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 19 Oct 90

[Text] Labor unions have decided to launch the nationwide industrial strike on 24 October to demand for the 38-peso across-the-board wage increase despite the government's approval of the 17-peso wage hike. Trade Union Congress of the Philippines [TUCP] and the Labor Advisory and Consultative Council [LACC] leaders met yesterday at the National Press Club to plan the nationwide strike. The LACC is determined to go through with the protest action while TUCP will announce its position on 20 October after consultations with provincial leaders. On the part of the Kilusang Mayo Uno [1 May Movement], a nationwide strike is quite complicated, but it is the workers' last resort to manifest their grievances.

Government Regional Development Program

HK1810025590 Manila THE MANILA CHRONICLE in English 18 Oct 90 pp 1, 7

[By staff member Mary Rose Feliciano]

[Text] The government yesterday announced a P300-billion [Philippine Pesos] regional economic program to speed up countryside development. The projects would cost P150 billion annually for public infrastructure and another P150 billion for private investments.

Finance Secretary Jesus Estanislao, who attended the first National Conference on Regional Development (NCRD), said the projects under the drafted framework would guide the government in the second Philippine Assistance Program (PAP) pledging session tentatively scheduled for December 1990 or early January next year.

That makes the drafted framework doubly important for the PAP pledging session had been postponed several times because there were lots of "slippages" in the fiscal sector, Estanislao explained.

The drafted framework has five umbrella programs: countryside agro-industrial development (the biggest component), local decentralization or autonomy, environmental protection and improvement, export promotion industries, and poverty alleviation programs. The first projects are in telecommunications and power supply.

The countryside development programs would play an essential role in the PAP pledging session, to be held either in Hong Kong or Paris. Estanislao said the initial set of projects would guide the government in the next PAP pleging session.

During the NCRD conference, President Aquino told government officials that the framework for countryside development was actually "reintroducing the concept of budgetary consultation." Mrs. Aquino said the conference would serve as a forum for the planning of investment programs "guided by the principles of transparency and decentralization."

Elaborating, Estanislao said the framework would provide the government with a synchronized budgeting and programming system. "When you begin looking at all of these, almost any project can be fitted. So, what we are doing is on an area-to-area basis. You cannot just go to a barangay or town or province," he said.

He said the regional framework would ensure that all areas receive equal attention from the government. There would be no overconcentration of resources in a particular region just because it has a good congressman or local executive.

Armed Forces Chief Revamps Mindanao Army

HK1910023390 Manila THE MANILA CHRONICLE in English 19 Oct 90 pp 1, 7

[By Manny Mogato, staff member]

[Text] The armed forces chief of staff, General Renato de Villa, has ordered a major shake-up of the army leadership in northern Mindanao following the Oct 4 Mindanao rebellion.

The changes in the army leadership came in the wake of a classified report indicating overwhelming support and sympathy by troops in the region for renegade Col [Colonel] Alexander Noble, the rebel leader.

Senior officials from Fort Bonifacio said three officers assigned with the army general staff in Manila will be designated field commanders in Mindanao and Negros Occidental as replacements for officers who are currently under investigation.

Brig Gen [Brigadier General] Quintin Alcudia, army chief of staff, was named commander of the Cagayan de Oro-based 4th Infantry Division vice Brig Gen Miguel Sol, who is charged with failure to suppress the revolt.

Col Sergio Belleza, chief of staff of the Cotabato-based 6th Infantry Division, was designated commander of the 402nd Infantry Brigade in Butuan City, replacing Col Hercules Galon.

Alcudia's position will be taken over by Col Jose Ma [Maria] Solquillo whose position as commander of the 301st Infantry Brigade based in Murcia town in Negros Occidental will go to Col Raul Urgelio, Army intelligence chief.

Belleza's position was offered to Col Diomides Villanueva and Col Gregorio Camiling, both members of the army general staff. Villanueva is the personnel chief while Camiling is the training officer.

The revamp also affects other minor army positions on the battalion and company levels as well as staff positions on division and brigade levels.

Sol chief of staff, Col Plaridel Obrique, will remain in his position until an assessment of the troop disposition is made by the AFP [Armed Forces of the Philippines] general headquarters.

Fort Bonifacio sources said the revamp would be announced on Saturday in Mindanao by Southern Command (Southcom) chief Maj Gen Manuel Dizon. It will affect three army divisions in Mindanao, several infantry brigades and about half a dozen infantry battalions, especially in northern Mindanao.

But a wider revamp will take place by December with the scheduled retirement of Dizon, who by then will reach the mandatory age requirement for retirement. Military officers reitre at age 56 regardless of their number of years in service.

The retirement of Dizon could pave the way for the proposed breaking up of Mindanao into two area commands—a southwestern command based in Zamboanga City and a southeastern command based in Davao City. The command restructuring and changes in leadership were among the recommendation made by the Davide Commission.

Macapagal Urges Legalization of Communist Party

HK1910024390 Manila THE MANILA CHRONICLE in English 19 Oct 90 pp 1, 7

[By staff members Bert Castro and Cherry Velarde]

[Text] Former president Diosdadao Macapagal yesterday called for the legalization of the Communist Party of the Philippines [CPP] and urged the government to acheive a political solution, not merely a ceasefire, with the insurgents.

Speaking at the National Peace Conference yesterday in Tagaytay City, Macapagal said the Philippines is "the only country in the world which does not recognize the communist party." He urged the government to regard the insurgency as more of a social than a military problem, saying that this approach had helped his administration crush the Huk rebellion.

The succeeding rebels from the New People's Army flourished during the martial law period, he said, because then president Marcos had overlooked the peasant problem.

The peace conference groups non-government and ecumenical organizations in a three-day seminar that examines the problems of poverty, militarism, sovereignty, environment and government.

The participants said "lasting peace and genuine democracy" could be achieved only with the eradication of historical problems and the involvement of the citizens in the search for the solutions.

Conference participants include workers, farmers, urban poor, cultural minorities, businessmen, and civic and religious groups.

Up north, the Cordillera People's Liberation Army [CPLA] lashed out at communist rebels for using the peace talks as a "respite" for party consolidation, propaganda work and "a means to implant intrigues among the democratic forces."

In a position paper signed by Fr. Conrado Balweg, the CPLA charged that the communists needed "a period of recuperation" because of its serious political and military setbacks. Balweg described the CPP offer to hold peace talks as a "zarzuela [stage play] as predictable as long-distance statements of CPP propagandists in the Netherlands."

For his part, former Communist Party chief Rudolfo Salas, now under government custody, said efforts to hold peace talks between the government and the armed Left have reached a deadlock.

Interviewed at his rebellion trial yesterday, Salas urged the government to make the first move to break the deadlock. "It's all up to the government," he said, noting its rejection of a foreign venue and the nine-point agenda proposed by the National Democratic Front [NDF].

"I don't think the NDF would agree to formal talks with the rejection of the minimum proposals. We are not yet even talking of demands," he said.

Bulacan PC-INP Fortified To Fight NPA

HK1810054990 Manila DIYARYO FILIPINO in Tagalog 18 Oct 90 p 7

[By Dan Ambrocio]

[Text] Captain Leonilo de la Cruz was installed yesterday as the commander of the newly formed 170th Company of the Philippine Constabulary-Integrated National Police [PC-INP] in a ceremony held at Tabang, Guiguinto, Bulacan. Top military and local government officials were present. De la Cruz took his oath before Brigadier General Manuel F. Bruan, PC-INP Regional

Command [ReCom] 3 chief. Others present on the occasion were Bulacan Governor Ramon R. Villarama, Representative Vicente Rivera, Jr. (Liberal Party, 2d District), and Bulacan PC-INP Chief Lieutenant Colonel Efren Q. Fernandez.

Villarama thanked the PC-INP leadership for its dedication and good relations with civilian authorities in the province because they proved to be instrumental in the surrender of some active Communist Party of the Philippines [CPP]-NPA members. He added that in his almost two weeks of office, the number of surrendering insurgents is noteworthy. If this continues, he thinks businessmen will return and the standard of living will improve.

The 170th Company under De la Cruz is the fourth PC-INP company in the province. It will increase the military strength in the area and will ultimately crush the CPP-NPA so that peace and order reign in Bulacan.

An unidentified informant of DIYARYO said the new PC company is the answer to ReCom 3's intelligence report that the CPP-NPA has mobilized 200 rebel assassins in Metro Manila, Bulacan, and Pampanga. This is termed Operational Plan Spider and includes the bombing of public buildings and foreign firms. The rebel group is said to have completed two months training in Davao del Norte. They were taught by those who trained in a combat guerrilla offensive in Libya in the 1970's.

Captain Francisco Villaroman, commanding officer of the 171st PC Company, presented to the media a surrendering rebel named Teodulo Manuzon, 24, married, resident of Barangay Bugyon, Calumpit, Bulacan. Manuzon is an active member of the Maria Laurente Brigade operating in the towns of Dona Remedios Trinidad, Norzagaray, San Miguel, San Rafael, Angat, and San Ildefonso.

'101' Air Force Men Leave Guardian Brotherhood

HK1910040790 Manila DIYARYO FILIPINO in Tagalog 19 Oct 90 p 8

[By Fidel Jimenez]

[Text] Two days ago, around 101 Philippine Air Force [PAF] soldiers of the Guardian Brotherhood Inc. assigned to the 570th Composite Tactical Wing in Puerta Princesa, Palawan together with eight officials said they were leaving the organization. They pledged loyalty to the Constitution and the Aquino administration. PAF Chief Major Geraldo Protacio attended the ceremony marking their return to the government side.

The Guardian Brotherhood was formed by active military men during the time of Marcos and was abolished after the bloody coup attempt on 27 Agusut 1987.

Communists Raid Communications Relay Stations

HK1810142390 Manila Radio Veritas in Tagalog 1300 GMT 18 Oct 90

[Text] About 50 communist rebels attacked two government-owned communications relay stations in San Jose, Nueva Ecija at 12:45 today. The raid and an hour-long fight resulted in the killing of two soldiers and the serious wounding of four others including an Army captain. The rebels carted away rifles and radio communications equipment and burned down the relay stations.

Meanwhile, suspected rebels also raided the Philcomcen [Philippine Communications Center] relay station in Bayombong, Nueva Vizcaya cutting the line of communications into and out of Abra. Aside from the relay station on Mt. Kita Kita, other nearby installations in Bayombong were also raided. The extent of the damage has not yet been determined.

PC Company Troops Come to Rescue

HK1910035790 Manila DIYARYO FILIPINO in Tagalog 19 Oct 90 p 1

[By Celso Giray]

[Text] Cabanatuan City. Two soldiers were killed while four others were seriously wounded when communist rebels attacked two Bureau of Telecommunications stations in Sitio Hilltop, Barangay Kita-Kita, San Jose City, Nueva Ecija. According to Nueva Ecija Philippine Constabulary [PC]-Integrated National Police Chief Lieutenant Colonel Virtus V. Gil, killed were Sgt. Renato Caricungan and Constable 1st Class Armando Patayan. Both were assigned in the said province.

Wounded were Captain Santos, TSgt. [Technical Sergeant] Eduardo Espinosa, Airman First Class Jesus Dasalia, and Constable 2d Class Apoli Ario Ramones. They were rushed to the Veterans Memorial Hospital after the incident.

Commanding officer of the 182d PC Company Captain Brigido Undan told Gil that 50 New People's Army members attacked while government troops were patrolling around San Jose City. After raiding the Repeater Station and the Bureau of Telecommunications, they attacked the Commercial Tower Relay Station. When Undan's troops came to the rescue, the rebels fled following an hour long fight.

43 NPA Rebels Slain in Quezon in Three Months

HK1810041990 Manila MANILA BULLETIN in English 18 Oct 90 p 14

[By L. M. Manipol]

[Text] Mt. Banahaw, Quezon—Operations "Lambat-Bitag" [Dragnet] has inflicted a heavy blow to the New People's Army [NPA] movement as 43 rebels were killed including eight top leaders, captured 28, recovered 30 assorted firearms and 17 equipment based on three months operation.

Brig. Gen. [Brigadier General] Federico E. Ruiz, Jr., Solcom [Southern Luzon Command] chief, said the opeations was participated in by the Army's 2nd Infantry Division under Brig. Gen. Thelmo and the different battalions and brigades operating in the Southern Tagalog and Bicol regions.

On the side of the government, it has 10 casualties, lost eight N-16, a number of Garand rifles and a radio set, it was reported.

General Ruiz lauded the support and cooperation of religious leaders, the civil officials like governors and mayors, and the civilian populace particularly those in far away barangays.

Thailand

Chatchai Briefs Press on Cambodia, Reshuffle

BK1910045290 Bangkok Domestic Service in Thai 0000 GMT 19 Oct 90

[Text] Prime Minister General Chatchai Chunhawan will end his visit to the United Kingdom today and will leave for Switzerland at 1400 local time on the same day.

Thawiphan Pannga, reporter of the Public Relations Department, reports from England that the prime minister granted an interview to local reporters at his room in the Sheraton Park Tower Hotel yesterday.

On the Cambodian problem, Chatchai told reporters that there has been a tendency toward positive progress on the issue. Leaders of the Cambodian factions have tended to be more compromising with each other in their negotiations. At present, they are in the process of choosing a vice chairman of the Supreme National Council [SNC], of which Prince Norodom Sihanouk is chairman. The prime minister said he was not confident Hun Sen would be chosen to the post, but was confident that the setting up of the SNC would proceed smoothly and a Cambodia seat in the United Nations would definitely be granted. In the near future there will be another meeting in Indonesia on the Cambodian conflict, the prime minister said.

On the reshuffling of the Thai Cabinet, the prime minister told foreign correspondents that since the Thai Government is a coalition government, he therefore will have to consult with all the coalition parties as to whether there should be a reshuffle, and he will let each party freely consider adjustment of portfolios in their quotas.

Asked if a reshuffle would satisfy the military, the prime minister replied that normally the Thai military does not interfere in cabinet reshuffles. He added that he himself is also a defense minister, who has command over the military. Therefore, he did not think there would be any problem, he concluded.

Magazine Calls on Chatchai for Political Change

BK1810144090 Bangkok KHAO PISET in Thai 8-14 Oct 90 p 3

[Article: "What Should General Chatchai Do: Reshuffle the Cabinet, Dissolve the House, or Resign?"]

[Text] It is clear that General Chatchai Chunhawan cannot survive as prime minister on a day-to-day basis like this for very long. Now he will have to think of what he should do—reshuffle the cabinet, resign, or dissolve the parliament.

There was news speculation about the cabinet reshuffle, with speculation that Interior Minister Banhan Sinlapa-acha would be made a deputy prime minister, that Police General Praman Adireksan would become defense minister, and Gen. Chatchai himself would be in charge of the Interior Ministry. The formula sounds interesting and might cool down the political temperature somewhat. But there is a question—where to put Montri Phongphanit? If he is kept at the Communications Ministry, the new cabinet would not be new at all.

Another question is whether Banhan would agree to take the inactive post. This matter would not be too difficult, since Banhan is a quite flexible person. The fact that he kept a low profile after a recent broadside by Captain Chaloem Yubamrung [the minister attached to the Prime Minister's Office] was evidence of this. As for Montri, he speaks for the entire Social Action Party. One must realize his influence, as he was capable of making M.R. Khukrit Pramot accept the party leadership again and commit to supporting the telephone deal, despite the fact that this might put the old man's reputation at stake. It is certain that the Social Action Party would reject any cabinet reshuffle if Montri were to take any of the inactive posts of deputy prime minister.

Therefore, a cabinet reshuffle would not be possible unless Gen. Chatchai could convince major party leaders to make a sacrifice for the sake of the government's survival. It is difficult to think about getting the Solidarity Party to join the coalition since there have been violent verbal exchanges of late. It is also unlikely to expect the Prachakon Thai Party to replace the Social Action Party in the coalition because it has only a few MPs compared to the Social Action Party.

Another option looks more reasonable—Chatchai resigning as prime minister with a new list of parties ready to form another coalition when he returns as prime minister. This would give him better bargaining power and make it easier for him to convince those who are unwilling to accept certain posts. This might also end the problem of major ministries under taboo, such as the Commerce, Finance, Defense, and Interior Ministries. Anyway, this option requires a great deal of work and also a high degree of sensitivity. Yet the advantages would make up for all the disadvantages.

The third option is to dissolve the parliament and hold another election. This option is being cheered by many, including the group of General Chawalit Yongchaiyut, which wants to see the house dissolve as early as possible. As a result of a snap election, one can anticipate a coalition of the Chat Thai Party and the Phalang Tham Party on one side, and the Social Action Party and the party of Gen. Chawalit on the other side.

There was a report circulating that a new alliance has already been formed in view of a possible election. They are the group of Gen. Chawalit joining with the Phalang Tham Party and the Solidarity Party on one side, and on the other side, the Chat Thai Party, the Ratsadon Party, and the Democrat Party. Meanwhile, the Social Action Party can join any side, especially with Montri Phongphanit as the most powerful figure of the party now.

The third option, dissolving the house, is believed to be the safest method for the democratic system, but the most risky for the party, especially the Chat Thai Party, which is the core of the present coalition. The second option meanwhile would be least risky for the party—a reshuffle based on the prime minister's resignation would put the system at a danger if it still cannot solve the political problem. A cabinet reshuffle within in the present coalition is meanwhile risky for both the system and the party. The present coalition is plagued by inter-party conflicts, infighting, squabbling and bickering for interests. The coalition is shaky and there is no unity. It is difficult to think of a solution.

Yet, the government cannot just bide its time day by day for the sake of remaining as a government, since this is destructive for the entire political system.

Two options remain as most reasonable for the prime minister to choose; that is, to resign and form a new alliance, or to dissolve the parliament. Whichever option chosen by him would reflect the "conscience" of the prime minister, who is the only person entrusted with this crucial judgment. So please accept that there is a problem and that it is most urgent to solve the problem now instead of waiting for the army to get the millionth postcard of petition for help.

Student Dies from Self-Immolation Protest

BK1810143790 Bangkok Domestic Service in Thai 1200 GMT 18 Oct 90

[Text] Interior Minister Banhan Sinlapa-acha said that, according to a report from the police, the student who torched himself has died at 0200 today despite efforts made by the Police Hospital to help him. The interior minister said that a sum of 100,000 baht will be sent to the governor of Nakhon Si Thammarat Province to be given to the parents of the student. Asked what measures the police will take in anticipation of possible confusion from the death of the student, such as the looting of his body or staging a procession of his coffin, the interior minister said he anticipated no such incident because the parents of the student would not allow it. Interior Minister Banhan also said that the prime minister had already been informed of the death of the student this afternoon.

Paper Comments on 'Needless Death' of Student

BK1910023790 Bangkok BANGKOK POST in English 19 Oct 90 p 4

[Editorial: "Questions Prompted by a Needless Death"]

[Text] It must be a day of sorrow for the family of Thanawut Khlingchua. After suffering from severe burns since he set himself ablaze last Sunday, the Ramkhamhaeng University student passed away yesterday. As if trying to avoid any strong reaction that might be aroused among his colleagues and supporters as a result of the death, police authorities arranged to hurriedly fly his body back to his home town in Nakhon Si Thammarat the same afternoon.

But the tragic story of Thanawut should not simply end here. On the contrary, it should provide the basis for the various parties concerned, government authorities in particular, to look deeply into the circumstances surrounding his death and to try to prevent similar incidents from occurring in the future. Notwithstanding the grief and bitterness that must have befallen his family, pictures of Thanawut agonising in a sea of flames that were splashed on newspaper pages around the world have probably inflicted incalculable damage to the image of this otherwise peaceful country.

From the very start, Thanawut and his other anti-government protesting colleagues have received a spate of negative publicity. But apparently that was not the outcome of any accident. Given a large assortment of rumours and allegations that circulated around various university campuses and newspaper offices, which ranged from general charges that the students were "paid" to stage the anti-government protest to more specific accusations that they were manipulated by the so-called Revolutionary Council, it appears that aside from some genuine cynicism there was also a concerted campaign to discredit them. So in the end public sympathy for the protesters was virtually nil.

Thanawut's death calls for a more objective review of the circumstances, however. It is no secret that the "open" nature of Ramkhamhaeng University has made the campus a prime staging ground for political activities of various shades. Political groupings of both left and right plus certain military elements are known to have cultivated connections and a following within the student body for a long time. It would indeed not be surprising if some of the protesters had been manipulated by outside elements and had tried to dramatise their anti-government cause for other ulterior motives.

But as is common with any societal groups or organisations, there are genuine as well as insincere elements. Judging from testimony given by close relatives, Thanawut had been a dedicated student with a favourble schooling record and a decent attitude. His only shortcoming, if it could be described as such, was his poor family background. According to his father, his life-long exposure to poverty and social injustice might have driven him to the extreme. Add this to the psychological stress and strain in the build-up of the protest and the outcome was a promising young man doing the unexpected.

Still, one pertinent question remains as to where the government security men were when Thanawut doused himself with gasoline. Why was there no effort by the presumably large line-up of plainclothes officers to stop him from setting himself alight? Destructive and un-Thai, self-immolation to dramatise a political cause is something our society should certainly try to discourage. But history has shown there are enough courageous souls who are prepared to embrace death for what they believe to be a just cause—the democracy- seeking demonstrators confronting tanks and bayonets on October 14, 1973 being one vivid case in point. In the aftermath of this latest tragic incident, one lesson for the Government is to be more responsive to public aspirations, and to effect a serious dialogue before any dissent gets out of hand.

Editorial Deplores Exploiters of Student's Death

BK1910084090 Bangkok THE NATION in English 19 Oct 90 p A10

[Editorial: "Extremism Is No Answer"]

[Text] The death yesterday of Thanawut Klingchua tells us two things. First, there are people radical enough to do the unthinkable for a cause they believe in. Second, there are others who are ready to exploit them for their own selfish interests.

Protesting the government by burning oneself was previously unheard of in this Buddhist country until the 20-year-old student from Ramkhamhaeng University poured gasoline on himself and set himself alight during a campus demonstration last Sunday. Crazy? That's what the government wants the public to think. And sadly enough, many people have been led to believe so, especially after police hurriedly packed Thanawut's colleagues off to the psychiatric ward at the Police Hospital.

Thanawut wasted his young life for nothing. His death has generated little sympathy, much less shaken the Chatchai government. And even those who might have wanted to use his sad demise to ignite a political uproar against the adminsitration must be disappointed that it did nothing to that effect.

"I am not crazy. And I am not brave." Those were among Thanawut's last written words to his brother. They should serve to refute claims by authorities that he was crazy and by his supporters that he was courageous. Thanawut was probably just one of the students who had become frustrated with the present affairs of the state and assigned themselves the role of "revolutionaries". Thanawut was definitely not "paid" to kill himself despite earlier claims by authorities that the Ramkhamhaeng student activists were on the payroll of a political "mastermind" who was out to destabilize the government.

It is normal in any society to have within its ranks people who stay on the extremes. In Thailand, Thanawut and his friends were among them. They were probably sincere in their political beliefs and were ready to make whatever sacrifices were needed for their cause. But what is sad is that they became involved—either knowingly or unknowingly—in a political game that knows no humanity. Either out of naivety or frustration, they carried their "revolutionary duty" too far.

We feel sympathy for Thanawut and his family, but at the same time want to condemn the people who were responsible for his death—the people who brought them out to the streets and set the stage for the tragedy. The masterminds—as they have come to be known—must be tracked down.

The radical students did try to make a martyr out of Thanawut. They even tried to snatch his body from the Police Hospital where he died. We deplore any attempts by anyone to exploit Thanawut's death. Other "revolutionaries" who have threatened to "carry on the torch" must come to a realization that their extremist approach—either sincere or politically motivated—is no answer to the problems facing the country. They should know that democracy cannot be achieved with extremist action—if democracy is actually what they are fighting for.

Ministry Says Recent Student Actions 'Improper'

BK1810142890 Bangkok Domestic Service in Thai 1200 GMT 18 Oct 90

[Text] The Interior Ministry has issued a clarification of the activities of the Center for Restoring and Preserving Honor at Ramkhamhaeng University. The ministry says that the center was organized, influenced, and supported by an unregistered political movement that called itself The Revolutionary Council. The council espouses popular revolution and establishment of an administrative system along the ideals it calls pure power, which in turn could negatively affect the main national institutions. The council's campaign was unacceptable to the general public. Therefore, it set up an ad hoc organ to create political confusion, although the government has been administering the country along the democratic system and has been listening to various pressure groups' views that abide by the law. In addition, certain members of the council already have legal cases pending against them.

The Interior Ministry feels that activities that involve inflicting self-injury or pressuring the government to resign are improper and should be discontinued. These activists should join others in the correct ways to maintain the democratic administrative system with the king as head of state.

Student Death Not Expected To Produce Problems

BK1810150890 Bangkok Army Television Channel 5 in Thai 1230 GMT 18 Oct 90

[Text] Army Commander-in-Chief General Suchinda Khraprayun granted an interview to reporters during which he said he did not anticipate confusion as a result of the death of the student who torched himself in protest against the government. He said that presently only a small group of students is taking part in the rally in front of Ramkhamhaeng University. Anyway, in his capacity as the chief of the Capital Security Command, he can assure that the military is prepared for emergencies.

[Begin recording in progress] [Suchinda] There is nothing to worry about. There are not many students at the rally. The police are in charge of keeping the situation under control now, and are in control of the situation. There should be no problem.

[Correspondent] The student's death could cause tension. What is the military going to do?
[Suchinda] We have steps to follow concerning security protection. First, it is the duty of the police. But if it goes beyond control of the police—that means, if there is an emergency—the government will decide on what action to take. It might have to call in the Capital Security Command to help with the problem. Anyway, we hope that there should be no such requirement. Everyone knows that blowing a problem out of proportion is not good for the country. Therefore, I believe there should be no problem.

[Correspondent] Will this be a condition for some people to create trouble?
[Suchinda] Anything can serve as a condition if you want to create a problem. But students are intellectual people, they must use their good judgment.

[Correspondent] What action does the Capital Security Command plan to take in the event of an emergency?
[Suchinda] I have already told you that the military is always prepared. We are prepared 24 hours a day.

[Correspondent] Have you received any order from the prime minister?
[Suchinda] I have received no order. [end recording]

Before granting the interview, Gen. Suchinda inspected the mock training of the Navy and the Capital Security Command at the 1st Army Region. He said that the inspection had nothing to do with the present situation. It was just a routine training exercise.

Burmese Students Deny Involvement in Bombing

BK1910015090 Bangkok THE NATION in English 19 Oct 90 p A3

[Text] Burma's main dissident student organization yesterday denied involvement in Wednesday's bomb explosion at the Burmese Embassy in Bangkok and implied the attack was a ploy by Rangoon authorities to discredit dissidents living in Thailand.

In a statement released to THE NATION, the All Burma Students' Democratic Front [ABSDF], based on the Thai-Burmese border, said the incident was similar to last year's explosion at the Burmese mission in Tokyo. U Htun Way, then Burmese ambassador to Japan, was later called back to Rangoon amidst allegations that he masterminded the bomb attack himself.

Wednesday's explosion caused slight damage but no injuries. National police chief Pol Gen [Police General] Sawaeng Thirasawat angrily threatened to expel all Burmese dissidents from Thailand if they "create more trouble".

The bomb was lobbed into the embassy around 2.30 am, shattering several windows at the visa section. Police blamed Burmese dissidents or minority Burmese living in Thailand for the incident, the second bomb attack at the Bangkok mission in three months. "The Burmese military has a long history of manoeuvering in ignoble ways to get support from the international community and to denounce the opposition," the ABSDF said.

The organization, which was driven underground following the crushing of a pro-democracy uprising in Burma in 1988, said Wednesday's incident was the third bomb attack at a Burmese embassy overseas. The first incident took place on Nov 13 last year at Burma's Tokyo embassy.

Regarding Wednesday's bombing, the dissident group said: "The ABSDF respects international laws and the existing laws of Thailand, and is against any kind of terrorist act. We have always, and continue to appreciate Thailand's human and sympathetic attitude towards the students."

Thousands of Burmese students have fled to Thailand since the September 1988 coup in Burma for fear of persecution.

Thai investigators have said whoever was behind Wednesday's incident wanted to create a disturbance rather than to harm anybody. "This incident is similar to the past two blasts. Its aim is to anger the Thai government so that they will put more pressure on Burmese dissidents in Bangkok," the ABSDF said.

Interior Minister Banhan Sinlapa-acha said Wednesday he had ordered special branch police to find out who was behind the bombing. The Burmese Embassy requested police protection after the blast.

Wednesday's blast followed a hand grenade attack on the Burmese Embassy in Bangkok on July 25. Nobody was injured in the July 25 attack, which caused slight damage. No arrests were made following the July bombing, but police suspect Burmese dissidents of being behind that attack.

More Investment Abroad After Controls Relaxed

BK1710082090 Bangkok BANGKOK POST in English 17 Oct 90 p 17

[Text] Thai investors have taken out more funds to invest abroad after the Government decided to liberalise foreign-exchange controls under Article 8 of the International Monetary Fund Agreement, according to a senior central banker.

Bank of Thailand Assistant Governor Chaiwat Wibunsawat said yesterday the liberalisation was made at the end of May and $98.8 million had since been taken out for overseas investment. Mr Chaiwat said the central bank currently needed only two weeks to process an application to take funds out of the country for investment abroad.

From the end of May, the central bank has received 21 applications involving $98.8 million. Five applications were considered major ones involving more than one million baht each and a combined $95 million. These included the applications of Precious Shipping to invest $31.1 million to buy a shipping company, Siam Cement to invest $30 million in a ceramics factory and GSS Electronics to invest $30 million in an electronics firm. In the like period last year, only $48 million was taken out for overseas investment by 22 firms. Mr Chaiwat said last year, a total of $87.2 million was taken out for overseas investment by 51 investors. From January to mid-October this year, $144 million was taken out for overseas investment.

Vietnam

Minister Talks With U.S. Envoy in Washington

BK1810122290 Hanoi Domestic Service in Vietnamese 1100 GMT 18 Oct 90

[Text] According to reports from Washington, Foreign Minister Nguyen Co Thach arrived in Washington on 17 October and began his talks with General John Vessey, special U.S. presidential envoy in charge of humanitarian issues.

The U.S. press and television services have given wide coverage to Foreign Minister Nguyen Co Thach's trip, regarding it as an important indication of the improvement of the relations between the two countries.

United States To Step Up Emigration Interviews

BK1810131590 Hong Kong AFP in English 1257 GMT 18 Oct 90

[Text] Hanoi, Oct 18 (AFP)—Washington has agreed to step up interviews of people wanting to emigrate to North America, including children of mixed parentage and former reeducation camp inmates, the Foreign Ministry said here Thursday. Effective October this year the United States will interview 7,500 people monthly for possible immigration, a Foreign Ministry spokeswoman said, without giving the previous figure.

The spokeswoman said 3,000 of the would-be emigrants were Vietnamese wanting to take advantage of the Orderly Departure Programme [ODP] to emigrate legally, 2,500 were Amerasians and their families and 2,000 had been released from reeducation camps. The former reeducation camp inmates are mainly former officials or soldiers of the U.S.-backed South Vietnam Government overthrown by the Communist North in April 1975.

The spokeswoman said in early September that more than 250,000 Vietnamese had legally emigrated for new homes in the West since 1980, including almost 230,000 under the ODP. About 27,000 Amerasians and their families—the product of liaisons between local women and U.S. servicemen in Vietnam—and just over 4,000 former reeducation camp inmates were resettled in the United States in the past four years, she said.

The spokeswoman also said Vietnamese and U.S. experts were examining the remains of suspected American servicemen listed as Missing in Action (MIA) from the Vietnam war. The operation in southern Vietnam began Monday and will end on October 25, she said.

Vietnamese Foreign Minister Nguyen Co Thach is currently in the United States, where Hanoi and Washington agreed Wednesday to step up cooperation to resolve the fate of nearly 2,300 Americans still missing from the Vietnam war.

Nguyen Van Linh Discusses China, U.S. Ties

OW1910105590 Tokyo NHK General Television Network in Japanese 2300 GMT 18 Oct 90

[Interview with Nguyen Van Linh, general secretary of the Vietnamese Communist Party, by unidentified NHK correspondent; place and date not given; Linh speaks in Vietnamese with simultaneous translation in subtitles]

[Text] [Begin Nguyen Van Linh recording; video shows Nguyen Van Linh sitting in a unidentified room with a small bust of Ho Chi Minh on the wall] There has been misunderstanding between Vietnam and China because of the Cambodian issue. The misunderstanding, however, was removed at the latest summit talks, and relations between the two countries are moving toward improvement. Presently, friendly trade is being undertaken between the two countries along their border. They no longer shell each other. Minorities residing along the border of the two countries are able to visit each other's relatives. Exchanges between the two countries are under way in the economic, scientific, and technological fields. Regarding the timing for the normalization of relations between the two countries, I cannot definitely say when they will be normalized, but I think that they will be normalized in the near future. [end recording]

[Announcer] On the restoration of relations with the United States, he indicated a positive attitude toward it, saying that we want to forget the past and are looking forward to opening a new era in relations with the United States. He criticized the responses of the U.S. Government, saying that some U.S. leaders still are apprehensive of restoring relations between the two countries. On relations with Japan, he said: Of late, Japanese missions are visiting Vietnam in succession and relations between Vietnam and Japan are moving in a good direction. I expect the Japanese Government to resume its aid to Vietnam in the near future.

Canadian Company To Invest in Rice Production

BK1910102090 Hanoi VNA in English 0707 GMT 19 Oct 90

[Text] Hanoi VNA Oct. 19—Canada's Royal Pacific Corporation plans to invest 200 millions US dollars in capital-intensive production of rice in Vietnam. Tan Thanh District in the Mekong River Delta Province of Long An has been chosen as pilot area.

Through research and experiments conducted by the provincial agricultural service, Tan Thanh farmers choose the IR.64 rice variety for large scale planting. This rice variety gives nearly 10 tons of paddy per hectare and the quality of husked rice reaches export standard. Samples have been approved by the investor. Royal Pacific needs each year one million tons of rice. To begin with, Tan Thach will mark off 20,000 hectares for double cropped IR.64 rice before it is grown widely in Long An Province.

The initial investment program provides for a letter of credit from Royal Pacific to supply materials and capital for which it will receive rice in return. If everything goes well, Royal Pacific will continue to invest in the production of rice for export including the supply of industrial equipment like storing silos, dryers, husking mill, etc.

Seminars on Industry Development Held in Hanoi

BK1710131690 Hanoi VNA in English 0714 GMT 17 Oct 90

[Text] Hanoi VNA October 17—A seminar on the development of Vietnam's industry has been held here under the auspices of the State Planning Committee, the UN Development Programme (U.N.D.P.) and the UN Industrial Development Organization (U.N.I.D.O.).

The seminar was attended by Nguyen Khanh, vice-chairman of the Council of Ministers David Smith, U.N.D.P. resident representative, M. Bonnamy, U.N.I.D.O. country director and managerial and scientific workers of branches and offices concerned.

A seminar on lubricant oil technique has been held in Ho Chi Minh City jointly by the Saigon Petrol Company and Castrol of Britain.

The two-day seminar dealt with the lubricant oil techniques in service of industry, textile, cars and motorcycles. This seminar is considered a preparatory step for the establishment of a joint venture on the production of lubricant oil in Ho Chi Minh City between the Saigon Petrol Company and Castrol.

Another workshop on small- and medium-sized enterprise management took place here from October 15 to 19 under the joint sponsorship of the Central Institute for Economic Management Research, and the Cultural Ministry of the state of North Rhine-Westphalia and the Friedrich-Ebert Institute of the Federal Republic of Germany.

It was attended by R. Gorz, represcntive of the Cultural Ministry of North Rhine-Westphalia, N.V. Hofmann, representative of the Friedrich-Ebert Institute, and representatives of Vietnamese central and local offices including more than 20 enterprise directors.

At the seminar, the F.R.G. specialists spoke of the business organization and management including marketing, objectives and needs of information, and measures to ensure product quality and lower production cost.

Joint Venture Legislation Seminar Held in Hanoi

BK1810101390 Hanoi VNA in English 0706 GMT 18 Oct 90

[Text] Hanoi VNA October 18—A seminar on "contracts and financial legislation relating to joint ventures" was held here on October 15 jointly by the State Commission for Cooperation and investment and the International Development Law Institute (IDLI).

The seminar, funded by the UN Development Programme (UNDP), the Swedish International Development Authority (SIDA), the French Foreign Ministry and the French embassy in Vietnam, was attended by representatives of the State Planning Committee, the ministries of foreign affairs, justice, agriculture and food industry, and commerce, the Economic and Technical General Department, and other concerned central and local offices.

Abuse of Funds Found Among Cadres in Hau Giang

BK1810125490 Hanoi Domestic Service in Vietnamese 1430 GMT 17 Oct 90

[Text] Some 121 party members in O Mon District of Hau Giang Province have taken advantage of their positions and power to borrow or misappropriate more than 213 million dong and 80 metric tons of paddy from various local agencies. Seven members of the district party committee alone have incurred debts totalling nearly 63 million, with the committee secretary accounting for over 20 million dong.

The abuse of authority by cadres and party members to borrow or misappropriate funds of local agencies has dragged on for a long time now in O Mon, thus adversely affecting the party's prestige and the district's socioeconomic life.

The O Mon district party committee has instructed all responsible organs to coordinate with grass-roots party chapters in reviewing the amount of debts incurred by members of each party chapter and, on that basis, find out how many of the number of party members still owe the state money, especially those with positions and powers or in the district party committee.

Confessions Obtained on Day Two of Hearings

BK1910043890 Hanoi Domestic Service in Vietnamese 1100 GMT 17 Oct 90

[Text] As reported earlier, on 16 October the Ho Chi Minh City People's Court held a public hearing to try the case of the Thanh Huong perfume factory headed by Nguyen Van Muoi Hai. Today is the second day of hearings. The trial jury continued to interrogate accused Nguyen Van Muoi Hai, Nguyen Van Nam, Nguyen Quang Loc and Nguyen Huu Do, and those whose names are listed in the factory's management board, in order to clarify the extent of their violations of law in misusing the factory's capital.

Before the court, Nguyen Van Muoi Hai beat around the bush. Faced with concrete evidence and skillful and resolute interrogation by the trial jury, Nguyen Van Muoi Hai had to confess that since 1989 the Thanh Huong factory has suffered losses amounting to 34 billion dong. He once intended to proclaim bankruptcy.

Others of the accused, Loc, Nam and Do, when faced with evidence and statements by their accomplice could no longer deny their guilt as specified in the indictment.

The people who have been watching the case think the Nguyen Van Muoi Hai clique and those who have protected the criminals must be severely punished and that action must be taken to continually reimburse those who contributed their money to the factory.

Editorial Addresses Expanding Smuggling Problem

BK1810065590 Hanoi Domestic Service in Vietnamese 1400 GMT 16 Oct 90

["Topical Talk" by station editor Vu Dinh Vinh]

[Text] Dear friends: At present, one of the burning issues in our country's socioeconomic life is the ever-expanding problem of smuggling foreign goods. This practice has greatly jeopardized the economy and disturbed social order and public safety. Fighting smuggling is currently an urgent task and is the responsibility of all sectors and echelons, as well as the armed forces.

Three weeks ago, in an article titled "Things That Must Be Done Immediately" Comrade NVL clearly pointed out: If we only use strong hard currency for imports, especially to illegally import large volumes of luxury goods, where will we get hard currency and gold in 1991 to import raw materials and fuel to support the three production programs? What will be the basis of our country's economy and our people's livelihood? It is strongly hoped that some agencies from the central down to local levels and some individuals who have acted narrow-mindedly in their own departmental and personal interests by actively importing contraband or by condoning and helping the importation of contraband, promptly wake up to reality! It is strongly hoped that responsible agencies be more positive and severe in punishing those individuals and agencies who are still smuggling a great deal of contraband on too large a scale.

In fact, the smuggling situation in our country has developed into a very complex problem. Those organizations and individuals who specialize in smuggling have seriously violated the economic policies of our party and state, not to mention the law. They have caused the state to lose hundreds of billions of dong in taxes, broken the balance of production, stifled domestic production, and created societal injustice. The Vietnamese market can now be said to be overwhelmed with foreign goods from the cheapest to the most expensive, ranging from jars of pickled scallions to the latest luxury cars. Apparently, it looks like brisk and attractive business. In reality, this is false prosperity rife with dangers to the country's economy. It has pitilessly suppressed countless domestic goods production installations and increased the number of jobless workers. It has been estimated that 80 to 90 percent of the hundreds of thousands of imported foreign goods on the market now are not essential to the laboring people's present life.

A representative of the Heineken brewery in Southeast Asia disclosed that each year Vietnam consumes about US$20 million worth of cans of beer. The amount of hard currency used to import beer from a single factory has already equalled 40 times the foreign investment in Ben Tre and Song Be Provinces, and 20 times the foreign investment in Nghe Tinh and Ha Son Binh Provinces. This is not to mention hundreds of millions of U.S. dollars that have been sucked across the border to import luxury items, pastries, candies, cigarettes, and cosmetics.

A company in Cuu Long Province has spent nearly U.S.$100,000 to import preserved fruits, plastic sandals, shampoo, and bras. This is in addition to the thousands of costly cars and hundreds of thousands of motorbikes valued at U.S.$500-700 which have overwhelmed the markets of 44 provinces, cities, and special zones countrywide. Since early this year, in Ho Chi Minh City, at least 3,000 cases of smuggling foreign goods have been detected.

A question has been raised: Who has imported foreign goods and how have they been imported? The recent situation has revealed that the state-run and private economic components, and whoever has the right connections, have irresponsibly competed to import contraband in every possible way either overtly or surreptitiously, legally or illegally and even through unlawful dealing and cross-border transactions in which up to 80 percent of the state agencies have been involved.

The Trade Ministry has investigated 14 northern and southern provinces and discovered that 72 percent of state-run installations have diabolically cooperated with private tradesmen to carry out these illegal smuggling operations. Some 97 of more than 138 economic units have been inspected. Some 90 percent of these 97 inspected units have operated under the cloak of state-run units in order to smuggle foreign goods or to buy under import quota at black market rates.

In the first half of 1990, six southwestern provinces alone smuggled foreign goods worth nearly 80 billion dong.

As far as the Army is concerned, many commanding officers have failed to exert close control over their units and have left everything to their subordinates when it comes to economic development projects. As a result, many grass-roots units have lent a helping hand to smugglers by providing them with military transportation means, by giving them access to military storage facilities to hide contraband goods, and so forth.

Dear comrades and friends: Everybody knows well the terrible impact of the indiscriminate dumping of foreign-made goods into the Vietnamese market. Obviously, the anti-smuggling struggle requires urgent efforts on the part of all sectors and echelons as well as society as a whole.

Only a short time has elapsed since the promulgation of the Council of Ministers' resolution but we have already scored effective initial results and have established confidence among the people.

In Hanoi City, 250 cases of economic violations have been discovered, including many cases in which violators have made use of sophisticated and cunning maneuvers, modern means, and well-organized interlinks. Hai Phong City has taken action against many cases of smuggling involving billions of dong. Ho Chi Minh City is the converging point of some 600 key economic organizations from the central down to the local levels and 240 head offices representing various foreign economic installations. Given such a large and complicated area of operations, Ho Chi Minh City has attached utmost importance to efforts to protect domestically produced items from smuggled foreign-made goods. The city has set up a task force comprising many responsible sectors and has also reviewed anti-smuggling measures and legal documents to make them more consistent with the present situation.

It has been clearly specified that if a certain sector or locality continues organizing or supporting smuggling operations, the leading officials in charge of that sector and the party committee echelon and administrative body in charge of that locality will be the first to bear responsibility before the city party committee and people's committee.

Under the direction of a task force set up by the Ministry of National Defense, special teams have been established in all military regions, military corps, and armed branches and services to coordinate efforts with Army units in the anti-smuggling struggle.

The Seventh Military Region and other military regions in the south have issued directives calling on all army units to resolutely oppose all forms of smuggling and to refrain from colluding with smugglers by providing them with military storage facilities and transportation means. The commander of the Ninth Military Region has issued an order prohibiting the rental of military license plates as well as the use of military vehicles and vessels to transport smuggled goods. Along with conducting inspection tours in all waterways and land routes, the Ninth Military Region has resolutely detained and confiscated all military means used to transport smuggled goods. The Ninth Military Region's special teams have inspected more than 140 vehicles bearing military license plates and has discovered 43 cases where vehicles and vessels failed to provide adequate papers as well as seven cases of illegal use of military license plates. A large quantity of smuggled goods has also been confiscated.

So far, our border defense, regular, and militia and self-defense forces have worked together with the state committees and branches concerned in conducting regular anti-smuggling operations and have scored some initial results. The border defense, regular, regional, and naval forces in the border Provinces of Lang Son, Quang Ninh, Cao Bang, Tay Ninh, An Giang, and Kien Giang have discovered hundreds of cases of cross-border smuggling involving billions of dong and have referred these cases to the local authorities for action.

In the hinterland, at seaports, and along main communications networks which serve as key channels for smuggling activities, the Armed Forces have conducted joint anti-smuggling operations. Through their experiences and sense of responsibility, many cadres and combatants have helped local financial and revenue services discover many cases of smugglers trying to get through with sophisticated maneuvers and have also detained, dealt with, or smashed hundreds of major smuggling rings.

Dear comrades and friends: In order to effectively struggle against smuggling and importing contraband, we may recall here the words of Comrade NVL who stressed: Responsible agencies must be more diligent and severe in punishing those individuals and agencies who are still smuggling too much contraband on too large a scale.

In another article, he raised this question: The press has reported many serious cases of smuggling by state agencies but has not yet reported how these agencies have been punished. It has only reported the recovery of taxes. If only taxes have been recovered, then these agencies will smuggle again on an even larger scale for even greater profits. He also emphasized: It is obvious that such a punitive measure will not prevent smuggling but will merely encourage smugglers to do better business. So, the law is not strict and is still too benign and indifferent. It should be added that in the present struggle against smuggling, discipline and law must be placed above all. No matter who or which agency violates it, they must be dealt with severely and the results of the action taken must be publicly announced. We should not spare those in positions of authority because of some fishy relationship while punishing only the small-fry and underlings.

We have said many times that everyone is equal before the law. It is now time to realize this statement. Directive No. 84 of the party Secretariat and Directive No. 133 of the Council of Ministers have also specified that whoever violates the law must be dealt with in accordance with the law and if those who are in positions of authority pardon violators, then they will be held more responsible than the others.

We should continue to organize broad propaganda among the people so that all sectors, echelons, and people will join the struggle against smuggling and tax evasion. At the same time, we should revamp the managerial control over cross-border commodity bartering and reorganize all checkpoints from the border to the inland areas.

Another very important measure is that in the spirit of letting the dregs settle to the bottom and sweeping away the dirt, our people will use our domestically produced items. All domestic manufacturing installations should take every measure to technically control production in the struggle to enhance the value and aesthetic quality of products, and to turn out many excellent, beautiful, and moderately priced goods in order to compete with foreign ones and meet the people's ever-increasing demands. This is a reality that we can achieve.

Through the economic and technological exhibition held in Hanoi last September, we have clearly seen the creative potential and clever hands of our workers who have produced many goods of quality comparable to foreign ones. Step by step we will be able to meet domestic demand and also export. If given proper interest and adequate investment, domestically manufactured goods will prevail in the market, help stabilize the socioeconomic situation, and advance our country.

Dear comrades and friends, fighting smuggling is currently an urgent task of our party and state. This is a fierce and complicated struggle that all sectors, echelons, and people must join.

Besides their training and combat preparedness duties, our Armed Forces should also more actively join the struggle against smuggling. We should clearly determine our responsibility and take specific and concerted action—depending on the characteristics of our station areas and units—to coordinate with all sectors and echelons in supporting localities to successfully struggle against smuggling and on this basis to help firmly maintain order, discipline, and the law of our society, turning it into a self- sustaining pattern.

Secretariat Directive on Fighting Corruption

BK1910100890 Hanoi Domestic Service in Vietnamese 2300 GMT 17 Oct 90

[Text] On 17 October, the party Central Committee Secretariat issued a directive on providing leadership over the struggle against corruption and set forth some tasks aimed at successfully conducting the struggle.

The directive specifies: Some sectors and localities have provided urgent and scrupulous guidance and have achieved some initial results. However, in general the task is still being implemented slowly and the results achieved are still few. In many cases, the action taken to deal with violations is not severe enough to create faith among cadres and the people.

Although there are many causes for this situation, it is primarily due to the fact that leaders of the party, the administration, and mass organizations at all levels have not fully realized the gravity of the current situation of corruption and its harmful consequences. As a result, they are not very determined to provide leadership and guidance for this struggle.

To campaign for the struggle against corruption in order to achieve steady results as required by the party Central Committee and its Political Bureau, the Secretariat requested all party committee echelons to provide centralized and close leadership over the following tasks:

1. All party organizations and party committee echelons must be made to realize well the important significance of the struggle against corruption, which must be linked closely to the struggle against importing contraband, considering it a central task of the fourth quarter of 1990 and the early days of 1991.

2. Leaders of all police, control, and court agencies should coordinate with the state inspection agencies, the party's control organs, and mass organizations to urgently investigate, conclude, and deal with cases of violation in order that these cases not be prolonged.

3. The struggle against corruption must be combined closely with the party purification campaign.

4. The leadership should be provided with the services of the mass information media so they may actively join in the struggle against corruption, ensuring that the information be truthful, accurate, and in accordance with the press law.

Paper Comments on Persuading, Abetting Refugees

BK1610050590 Hanoi Domestic Service in Vietnamese 1430 GMT 14 Oct 90

[Article by Nguyen Su in 14 October NHAN DAN: "Abetment Through an Interlink System"]

[Text] In recent years, the enemy has spared no efforts in abetting or persuading Vietnamese nationals to flee to other countries to smear our regime in the international arena, raging against the social order, and recruiting and training spies and commandos for infiltration back into Vietnam to carry out activities.

Haiphong and Danang cities and Quang Ninh, Khanh Hoa, Kien Giang, An Giang, and Minh Hai Provinces are places where people from other localities can seek ways to flee the country. Looking back at the number of people who have fled the country, we can see that only a small part of them belong to elements that are hostile to the revolution or have incurred blood debts to the people. The rest of them, although vacillating and confused by agitation, have fled to foreign countries in the hope of enjoying prosperity.

One of the causes of the never-ending flight of people to foreign countries is the abetment by specialists in planning and organizing illegal departure from the country. Apart from those who deliberately wanted to resettle in foreign countries, these specialists have persuaded a number of poor people and laborers in remote rural areas or former revolutionary bases to blindly flee the country. They have also bribed, debauched, and degenerated a number of state cadres, workers, and civil servants—including those in the public security forces and Army—due to a lust for money and gold.

This situation has caused a relatively large number of people to refuse to engage in productive labor while waiting for a chance or seeking ways to go abroad, thus inflicting great losses on and gravely affecting national security and social order.

Their operational schemes, methods, and tricks have become increasingly sophisticated and complicated. They usually establish contact through an interlink system, using coffee shops, restaurants, bus terminals, or harbors as meeting points. Some of them visit a certain person at his home and open a conversation by telling him that people here and there have fled the country only to study his reaction; or by showing him letters, photographs, or gifts from those who have been resettled in foreign countries to elicit a psychological response. They would impose the specific requirements if that person expressed a desire to flee the country. They would use the number of people with whom contacts have already been established to attract others.

Through these tricks, their organization has rapidly taken shape and developed. In a short period of time, they could instigate a large number of people to flee the country and organize many illegal departures.

Their ringleaders usually impose the conditions that if a certain person could persuade a number of others to go abroad, he himself or his family would not have to pay for the trip abroad in cash or in gold; and that if he could persuade a large number of others to flee the country along with him, he would be given part of the money and gold paid by these people. In many cases, the public security forces could only arrest those acting as a go-between.

Regarding their tricks, they usually rely on existing relations to establish contacts, using a Catholic to deal with other Catholics and a Hoa [Vietnamese of Chinese descent] to deal with other Hoa people. Some of them seek to establish contacts through relations between old friends. They have, at times, formed a group of men responsible for establishing contacts in each city ward or village.

The organization of illegal departure is divided into many bands, dens, and links. In most cases, illegal departures are made through contacts by people in the organization. Those involved consider this the best way to avoid detection by public security forces. However, protection has reportedly been provided by those in the public security service itself.

They establish relations with people in areas where many want to flee the country and maintain connection with workers at ports where travel to the sea can be made. Their organization includes several leaders, workers at ports and wharves, and those who can organize transportation; some of them even carry weapons for use when warranted. However, in handling a small group of people, one of them may take up several tasks at a time. They also pay a smart sum of money to boat owners for delivering their clients to the rendezvous places, thus making these boat owners their accomplices in charge of transportation.

After completing preparations for fleeing the country, they will travel by boat—sneaking through canals and avoiding as many checkpoints as possible—to reach rivermouths and the sea, disguising themselves as fishermen on an offshore fishing trip. At the border defense force's checkpoint, they will produce documents certifying their trip is legal. They also secretly arrange for their accomplices and the fishing boats—some of them carrying weapons—to pass through various canals and rivermouths without being thoroughly checked. When reaching the sea, they sometimes use weapons to threaten and seize the boat from its owner and then pick up their clients at the rendezvous points.

Leaders of these outlaw organizations have different motives; some nurture a political concept opposing the revolution, but most of them are out to earn money and gold. These leaders are old soldiers of the former puppet regime who have not surrendered for reeducation; some own boats and vessels, and some have good relationships with boat owners. A few of them are degenerate cadres and state officials and workers, while some are ordinary laboring people who want to amass wealth quickly.

To organize their trip successfully, they use money and gold to bribe cadres at checkpoints, combatants at border defense units, and control officials at ports and wharves. When arrested, they attempt to bribe cadres and police to free themselves.

During the past several years, there emerged hundreds of cases of bad elements cheating the people by giving hollow promises to those who wanted to flee the country to get their money and gold. Worse still was that some of them were robbed, raped, or even killed by these bad elements to get the victims' money and to conceal their crimes. These bad elements use fake documents, but authentic equipment such as mariner's compasses, charts, and anti-seasick medicine to make the people believe in them.

Moreover, other groups of bad elements—taking advantage of our party and state humanitarian policy on allowing people to leave the country for family reunion or for resettlement abroad—disguise themselves as public security cadres and visit families whose members abroad have sent in sponsorship documents to speed up the paperwork for them to leave the country quicker. Some of these families bite the bait and pay money and gold. For their own safety, these bad elements use fake names and shops to contact these families. In some cases, these bad elements even arrange to collect gold and money from relatives of these families only after they have left the country.

These are all tricks and tactics used by the bad elements to cheat the people and we must strive to oppose them.

Delegation Attends World Conference in Uruguay

BK1910070890 Hanoi Domestic Service in Vietnamese 1100 GMT 17 Oct 90

[Text] The 84th World Parliamentary Alliance conference opened on 15 October in the city of Punta del Este in Uruguay with the participation of many delegations from member countries of the World Parliamentary Alliance Organization. Our country's delegation was headed by Nguyen Thi Binh, chairwoman of the National Assembly's Foreign Relations Committee.

The conference will last seven days and will discuss many issues concerning the political, economic and social situation in the world including those issues of concern to many countries such as the foreign debts and the Persian Gulf crisis.

The conference will also cover the issue of education as far as it concerns the development and consolidation of democracy.

Chairman Addresses War Veterans Conference

BK1710120290 Hanoi Domestic Service in Vietnamese 1430 GMT 16 Oct 90

[Text] After three days in session, the second conference of the Vietnam War Veterans Association's provisional executive committee closed in Ho Chi Minh City on the afternoon of 15 October.

Delegates to the conference discussed work for the association in the days ahead, which involves consolidating its organizational structure to satisfactorily fulfill all tasks to meet the needs arising from the party's political work between now and the seventh party congress and, as an immediate step, to participate in the struggle against corruption to help purify the party and state machineries.

Addressing the closing session, Comrade Nguyen Huu Tho, in his capacity as chairman of the Vietnam Fatherland Front Central Committee, expressed joy at having met with army men and generals who had experienced the years of resistance to the French and the Americans. He also welcomed the establishment of the War Veterans Association and expressed the hope that the association would contribute positively to developing and safeguarding the revolutionary achievements recorded by our party and people.

While the conference was in progress, the Party Central Committee Secretariat sent messages to the people's committees in all provinces, cities, and special zones pointing out the Vietnam War Veterans Association's activities and stressing the fact that the association is a mass revolutionary organization under the leadership of the Communist Party of Vietnam.

Do Muoi Addresses National Conference on Women

BK1810035990 Hanoi International Service in English 1000 GMT 17 Oct 90

[Text] Chairman of the Vietnamese Council of Ministers Do Muoi called on women throughout the country to make great efforts together with concerned branches to solve the problem of malnutrition and school dropping among children and promote the women's role in household economy. He was addressing the National Conference on Women held in Hanoi on 15-16 October to commend outstanding individuals and units on the occasion of the 60th anniversary of the Vietnam Women's Union.

Taking the floor, Ms. Nguyen Thi Than, vice chairman of the Women's Union, highlighted the efforts of women, every family, and social organization aimed at contributing to the process of renovation in the country.

Fiji

Hindus Publicly Burn New Constitution 18 Oct

Protest Against Discrimination

BK1910061790 Hong Kong AFP in English 0552 GMT 19 Oct 90

[Text] Suva, Oct 19 (AFP)—About 200 Hindus participating in a religious festival here publicly burned Fiji's new constitution in protest at its discrimination against ethnic Indians, the DAILY POST newpaper reported Friday.

Shouting: "Azadi (freedom)" and other slogans, the group set light to the document in a trash bin after a ceremony Thursday.

Anirudh Singh, a spokesman for the Fiji Youth and Students League which organised the protest, said it was "an expression of our dissatisfaction with the Constitution," promulgated in July.

The ceremony was held on the annual Hindu festival of Diwali, which commemorates the return from exile of Lord Rama. Such occasions are traditionally joyous, but Thursday's was staged in silence.

Dr. Singh said the silence reflected "the darkness that has engulfed this nation since May 14, 1987," when the Fijian Army overthrew the first Indian-majority government.

The new Constitution, which supersedes the one adopted with Fiji's independence in 1970, guarantees a parliamentary majority and executive power for indigenous Fijians, who make up slightly less than half of the country's 720,000 people.

Dr. Singh said the Constitution was devised on racial lines and could not be "accepted as the supreme law of the country."

He added that it was "a sign of cowardice to allow people to suppress others."

Indians, originally sent to Fiji as indentured workers under British rule in the 19th century, now number around 334,000, or 44 per cent of the population, but will have only 35 per cent of seats in parliament under the new law.

About five-sixths of Fijian Indians are Hindus.

Act Seen as 'Treason'

BK1910091490 Hong Kong AFP in English 090' GMT 19 Oct 90

[Text] Suva, Oct 19 (AFP)—The military-backed government on Friday accused 200 Hindus who publicly burned Fiji's new constitution of treason and ordered a police inquiry.

The cabinet held a special meeting after a ceremony Thursday marking the annual Hindu Festival of Diwali turned into a protest at constitutional discrimination against ethnic Indians.

A government statement said that protestors who set fire to the constitution in a trash bin had "committed treason."

The police had been instructed to carry out an official inquiry, it said, adding, "The interim government will not tolerate efforts to destroy peace and harmony and the path it has taken to return the country to parliamentary democracy."

Anirudh Singh, a spokesman for the Fiji Youth and Students League which organised the protest, said it was "an expression of our dissatisfaction with the constitution," promulgated in July.

The Diwali ceremony, which commemorates the return from exile of Lord Rama, is traditionally joyous, but Thursday's was staged in silence.

Dr. Singh said the silence reflected "the darkness that has engulfed this nation since May 14, 1987," when the Fijian Army overthrew the first Indian-majority government.

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Kiribati

Plan To Ask Bush To Help End Nuclear Tests

BK1810032490 Hong Kong AFP in English 0133 GMT 18 Oct 90

[Text] Wellington, Oct 18 (AFP)—Pacific leaders will ask U.S. President George Bush to pressure France to stop nuclear testing in the South Pacific, Kiribati's President Ieremia Tabai said here Thursday.

Mr. Bush is to meet with 13 Pacific leaders, including Mr. Tabai, in Hawaii on October 27.

"With the easing of tension between East and West, it will be a good opportunity to talk to the Americans about applying pressure on the French," he said.

Mr. Tabai said it was understandable that France wanted nuclear capabilities but the rationale was now less valid given the end of the cold war.

France conducts five or six underground nuclear tests annually at its test site at Mururoa Atoll in French Polynesia. Pacific nations, through the South Pacific Forum, have repeatedly asked Paris to stop.

On the planned destruction of German-based chemical and nerve gas weapons on Johnston Island, 1,130 kilometres (700 miles) south of Hawaii, Mr. Tabai said he believed the president knew of the Pacific's opposition and had assured them the site would only be used for the German weapons.

"My preference is the chemicals should not be coming from Europe (but) we have to accept now there is no way we are going to change the mind of the Americans," he said.

"They are committed to the programme. The best position is to hold the Americans to their word, that this will be a one-off," Mr. Tabai said. "We don't want it to be a permanent site."

New Zealand

Prime Minister To Pay Businesses To Create Jobs

BK1310043490 Hong Kong AFP in English 0407 GMT 13 Oct 90

[Text] Christchurch, New Zealand, Oct 13 (AFP)—New Zealand Prime Minister Mike Moore said Saturday he would seek a new deal with businesses aimed at creating 40,000 more jobs during 1991.

Mr. Moore said in a statement his proposal would be the second step in the "growth agreement" he announced within days of becoming prime minister on September 4.

The first step was a deal with trade unions to hold down wage increases during the next 12 months to two per cent, linked with productivity deals.

That is showing evidence of succeeding. Last week a major trade union, the metalworkers, reached agreement with employers within the terms of the accord.

In his statement Saturday Mr. Moore said he would offer businesses the equivalent of an unemployed person's dole payment to subsidise the creation of "real new jobs."

The scheme would "put a stop to the nonsense of paying people a billion dollars a year to do nothing," he said.

Mr. Moore said some major companies had told him they would welcome the proposal and were confident it would provide a big employment boost.

Dole payments vary widely according to age and assessment criteria. Single unemployed people get an average of about 150 New Zealand dollars (93 U.S.) a week and couples with neither partner working about 230 dollars (142 U.S.).

Unemployment is an important issue in the campaign leading to the October 27 general election.

The number of jobless people is approaching 200,000, or nearly eight per cent of the workforce.

Mr. Moore also said Saturday he would ask the new Parliament to endorse in a free vote the third proposed step in his employment drive.

He announced Friday night he wanted to introduce an identity card system which would link a person's income tax number with welfare benefits they received.

He said Saturday the proposed system would put an end to benefit abuse and fraud which was "stealing more than 550 million New Zealand dollars (341 million U.S.) a year from those in real need."

A free vote in Parliament means MPs from the country's 97 electorates would not be tied by party policy in deciding their attitude to the card system, which seems certain to be a controversial issue.

Solomon Islands

Opposition Joins Forces To Oust Mamaloni

BK1910093390 Hong Kong AFP in English 0914 GMT 19 Oct 90

[Text] Honiara, Oct 19 (AFP)—Opposition leaders in the Solomon Islands and senior officials of the ruling People's Alliance Party (PAP) said they had created a new party Friday to remove Prime Minister Solomon Mamaloni.

Opposition leader Andrew Nori said in an interview recorded for national radio that leaders of the newly formed alliance for national co-operation had signed a pledge to support any move to oust the prime minister.

The recording, which included a statement by deputy PAP leader Danny Philip, was made available to AGENCE FRANCE-PRESSE.

Mr. Philip said the PAP had decided to join the opposition because it had lost its solidarity and numerical strength in parliament.

Mr. Mamaloni on October 12 triggered a political crisis here when he defected from the PAP and formed a new government including five opposition members.

The prime minister's decision to quit as PAP leader came a week before a party convention was tipped to pass a no-confidence motion in him.

The motion arose from the reported involvement of Mr. Mamaloni and others in efforts to obtain a 250 million U.S. dollar loan from an obscure Italian company.

Mr. Nori said 16 politicians had signed a petition which had been presented to Governor General George Lipping.

Four other signatories were expected next week, Mr. Nori said.

Rejecting Mr. Mamaloni's claim Thursday that he had the support of 27 of the 38 members of parliament, Mr. Nori said there could be no more speculation as to who has the numbers in parliament.

Mr. Nori said he had discussed with Sir George the possibility of holding a parliamentary meeting soon so the PAP could pass a motion of no-confidence in the prime minister.

Mr. Mamaloni became prime minister of the Solomons—which gained independence from Britain in 1978—for the second time last year. He previously served from 1981 to 1984.